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NET PROFIT AFTER THE TAXES WERE CALCULATED

1,951 billion Egyptian pounds

NET INCOME OF FEES AND COMMISSIONS

329 million Egyptian pounds

INVESTMENT FUNDS

- 1. Mawared Fund
- 2. Taameer Fund

NET OF INTEREST REVENUES

2,9 billion Egyptian pounds

DATABASE OF CLIENTS

More than 1,800 million clients in Egypt

MORE THAN

2632 employees

AFFILIATES AND SISTER COMPANIES

32 companies

TAXES PAID TO THE STATE

598.8 million Egyptian pounds

Number of Automated Teller Machines (ATM)

273 ATMs

TOTAL AMOUNT OF ASSETS

51,46 billion Egyptian pounds

BRANCHES

More than 92 branches all over the Republic governorates

DEPOSITS OF CLIENTS

41,285 billion Egyptian pounds





Housing and Development Bank (HDB), the ancient edifice that it was an honor to join last year, was able, during a forty-year journey, to occupy a prominent place in the Egyptian banking sector, owing to the policies formulated by the top management of the bank and to the trust of our clients and shareholders. HDB will remain fulfilling a promise to continue achieving the highest rates of development, and to being keen on investing in all industries and developmental and real estate projects, together with fostering the level of banking services in a manner that keeps pace with the changes witnessed by the banking market.

In my name and on behalf of the members of the board of directors of the Housing and Development Bank, I would like to show to Your Honor my sincere appreciation, expressing my pride of your precious trust. I am also glad to put the fortieth annual report in front of you, which highlights the bank results and activities during the fiscal year ended on 31/12/2019.

Exceptional Year

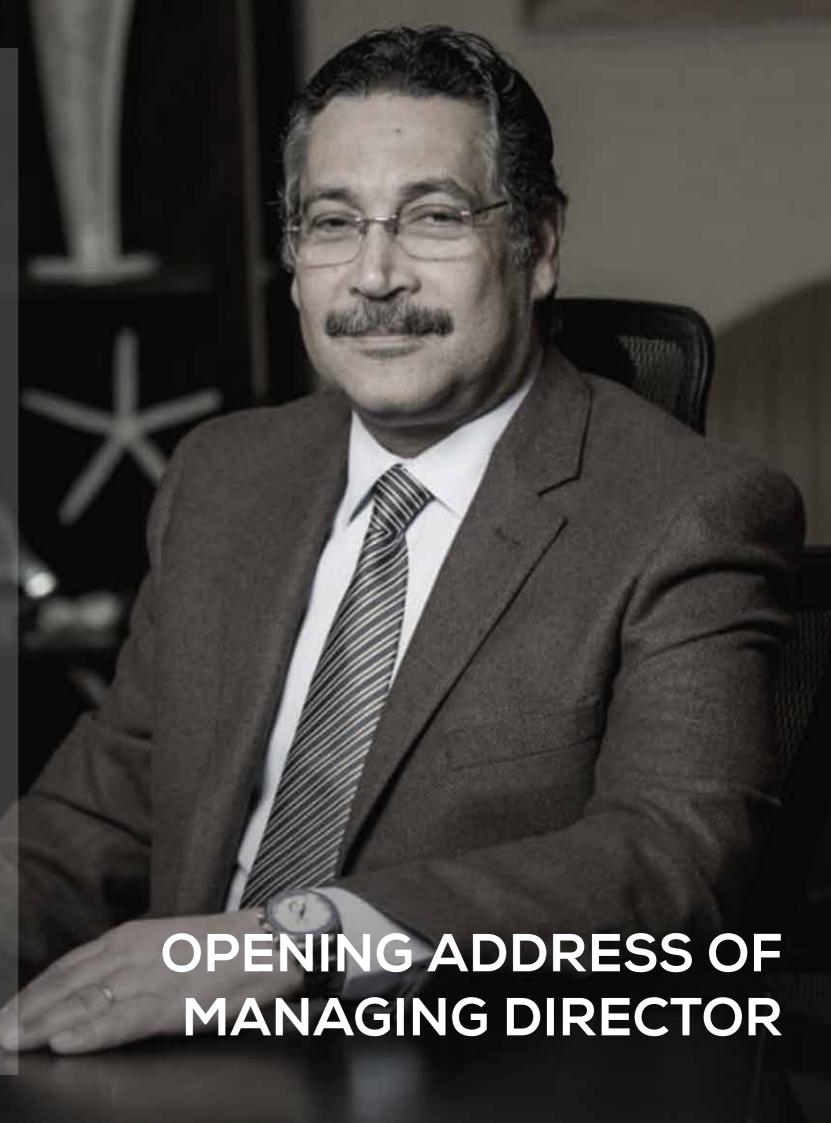
During the previous years, the Egyptian economy witnessed many positive major changes due to the economic reforms adopted by the Egyptian political administration in collaboration with the International Monetary Fund; the reforms that started to bear fruit where 2019 has witnessed the harvest of those achievements, including the reduction of unemployment rates and the promotion of infrastructure.

This is in addition to the wise monetary policies formulated by the Central Bank in accordance with methodological steps and many fruitful initiatives, aiming at supporting the industry, the insolvent factories and the tourism sector, so as to reach the level of economic recovery, and to back up the economic policy developed by the State.

Those procedures contributed to the increase of the foreign currency reserve, reaching unprecedented rates during the year 2019 and exceeding, for the first time, 45 billion, where the national economic indicators were enhanced, as the domestic growth product (GDP) reached 5.6%, and the inflation rates recorded a significant decline, as it reduced to 7.1% in December 2019 against 12.7% in January 2019, align with the success of such program that is internationally commended by the international rating institutions, where the report issued by Standard & Poor's concerning its sovereign rating to the Egyptian economy states that it kept the same rating "B" and maintained the stable forward-looking predictions.

Such reflected positively to the performance of the banking sector during 2019, as:

- * The total assets were increased in the Egyptian banks from 5432,7 billion pounds in the fiscal year 2018 to 5940 billion Egyptian pounds in the fiscal year 2019 with a growth rate of 9.37%;
- * The credit granted to banks in Egypt was increased with a percentage of 1.46% in the fiscal year 2019, compared to the fiscal year 2018, reaching 1841 billion Egyptian pounds.
- * Deposits at banks, including the governmental deposits, were increased in November 2019 with a percentage of 9.66%, i.e. amounting to 367.4 billion Egyptian pounds, reaching 4170 billion Egyptian pounds.
- * Deposits in the local currency were increased with a percentage of 16.51% during 2019, i.e. amounting to 487.4 billion Egyptian pounds, reaching 3439 billion Egyptian pounds in November 2019, while deposits in the foreign currency were decreased with a percentage of 10.46% during 2019, i.e. equivalent to 122,5 billion Egyptian pounds, reaching 744,4 billion Egyptian pounds. Such decline is referred to the increase of the exchange rate of the Egyptian pounds compared to the foreign currencies, and to the clients' tendency to invest using the local currency, pursuant to the last statement issued from the Central Bank of Egypt.



Predictions indicate that the result of stability witnessed in Egypt in the status quo will be affected positively by the quality of banks' assets, and the assets, deposits and loans at banks will grow rapidly; consequently, the profitability will be affected positively in the short run.

In addition, there are predictions of opportunities that are available for banks to achieve growth, together with the prediction of the emergence of a promising market for retail banking, especially small and medium projects and real estate financing, in the light of initiatives launched by the Central Bank of Egypt, so as to consolidate the banking activity in Egypt.

Strong Performance

2019 was a strategic turning point that is important in the journey of Housing and Development Bank in different industries towards the achievement of its ambitious vision, the promotion of its leading status and the development of the operational efficiency.

During this year, HDB was able to achieve high growth rates and good results that will be the cornerstone for more development and competition in the Egyptian banking market, owing to the application of the sustainable strategic plans, in order to expand the market share in the banking sector, align with the full commitment to apply the foundations and principles of corporate governance and the high standards of internal control and risk governance according to Basel II, in addition to the bank's adoption of strategic initiatives to increase the individual and corporate portfolios, together with attracting new clients by introducing specialty products based on extensive studies on the needs of the different segments of the Egyptian market.

- * The net of the retained earnings, after deducting taxes, amounts to 2,224 billion pounds at the end of 2019, with an increase of 13% compared to the same period in 2018, owing to the growth of investing in the affiliates and sister companies.
- * The bank achieved a significant growth in the total assets, which amount to 51,5 billion pounds.
- * The clients' deposits increased with a growth rate 21% compared to the last year.
- * The credit facility portfolio achieved a growth amounting to 26% represented in the increase of the corporate and retail loans.

Development of Banking Products

HDB was able to be in the lead of banks that introduce all the new banking services and products that fit with the needs of all segments of clients, to be introduced competitively, in addition to keeping up to date to all what are newly introduced in the banking space, and to being keen on the permanent development in its banking performance, so as to maintain its clients' trust, together with our leading in the real estate financing sector in which the bank acquires a percentage of 30% of the total financing in the banking sector.

We were also able to render our services beyond the geographical boundaries, and to expand in the digital banking services field, in order to achieve the State's trends towards the reduction of cash transactions and the promotion of dealing with electronic payment means via mobile phones (Floussy Phone Electronic Wallet – to apply the reservation of lands and units that are related to the public lotteries via the internet efficiently and accurately)

Geographical Expansion and Spread

The geographic extension policy aims at reaching the remote areas through the diversification of the geographical ranges, and the existence in all Egypt's governorates, so as to achieve wider spread in the field of rendering banking services, and to get the bank's services reach the largest number of clients in different places, especially those who have never dealt with the banking system, inheriting the concept of financial inclusion and the right of each citizen to get the banking services and facilities, as:

- * The number of bank's branches reached at the year-end 92 branch, together with updating some other branches.
- * The number of Automated Teller Machines reached 273 ATMs within all governorates of Egypt, in order to fulfill the needs of about 1.9 million clients.

Gratitude and Appreciation

Finally, I express my sincere thanks and gratitude to Messrs. Bank's shareholders and clients for their permanent trust in us, the trust that was a strong motive for achieving the Bank's vision and its strategic goals by taking a steady and informed pace supported by the trust of our clients and shareholders, so as to achieve its shareholders' interest and clients' satisfaction.

My thanks go also to each and every one who contributed to this growth and success, and special thanks to Messrs. the esteemed members of board of directors of the bank and its executive management, and to all employees working at the bank; this is for their efforts exerted and dedication shown, to achieve the successful performance rates in 2019, and for the commitment to the spirit of one team, to achieve more success and continue the sustainable growth journey.

It is also an honor to address in my name the heartfelt thanks and appreciation for the generosity of continuous assistance and support for both: Mr. Governor of Central Bank of Egypt and Eng. Minister of Housing, Utilities and Urban Development.

Hassan Ghanem

Managing Director of Housing and Development Bank







Start of Journey

During a long journey lasted for forty years, the Housing and Development Bank was able to take up a leading role in serving the community without regard to the profitability only, with a view to mitigating the severity of the housing problem, and supporting a wide range of youth and low-income citizens, by providing and financing housing units that fit with the different income segments, in order to improve the standard of living and to eliminate the gap between supply and demand in the real estate market, as a main mission of the bank at the status quo.

In addition to its role in leading the engine of developing the new urban communities and making and managing huge investments that had a great developmental and economic role, the bank introduced to the Egyptian community a large number of great housing and touristic projects, and contributed, in collaboration with the State's agencies, to providing real estate solutions and offering opportunities in the real estate investments for the different classes of people through a number of distinguished projects.



Trust of Millions that have been built over years

Over 40 years, the Housing and Development Bank enabled to build well-founded bridges of trust between the Bank and millions of clients, and to achieve the dream of thousands of families, by attaining its main objective in providing a convenient house for all community segments. Such trust was a strong motive to expand in providing an integrated group of competitive banking services by which the Bank was able to create a distinguished status among the greatest banks operating in Egypt through a clear and ambitious strategy.



Vision and Strategy

The Housing and Development Bank, through its ambitious vision and during the coming period, aims to be among the greatest ten (10) commercial banks in the Egyptian banking market, which banks bear the responsibility of excellence in rendering banking and real estate services, in addition to working on maintaining the operational efficiency that is currently high. In a step following what have been achieved by a pace of trust in success to accomplish the objectives of the previous years, the Bank was able to become among the best five banks in Egypt in terms of the banking performance efficiency, together with the strong participation in the real estate activity.







beliefs of the employees who work at the bank; they are the central pillars of success across the bank's long way, where the bank owns professional cadres of high efficiency who always seek commitment to the work's values and code of ethics according to the bank's general strategy.



Development of Human Capital

* Further Capabilities

The bank owns excellent human cadres of extensive experience in the banking and administrative industry; the bank also succeeded in recruiting a group of high elements to support the efficiency of qualitative work at the bank.

The number of employees at the bank amounted to 2632 employees at the end of 2019. The bank considers the achievement of equality and equal opportunities among all employees without discrimination, together with confirmation of women empowerment principle, where the percentage of female to male employees amounts to 23% across all professional and leading sectors and levels.

* Increasing Opportunities of Development and Training:

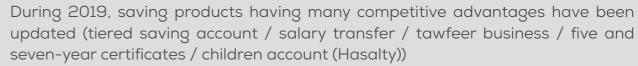
Because the bank is extremely keen on investing its human capital and developing the banking and administrative capabilities and cadres, the bank follows the modern professional training systems to raise the performance level in the services rendered to clients and to advance them. In order to qualify cadres to hold the leading positions at the bank in the light of the challenges and circumstances of the strong competition in the banking sector, the bank established a development and training center in Shorouk City in 2004 to raise the capability of human cadres in terms of the banking and administrative industry according to the latest systems and modern technology.

- * 60789 training opportunities have been provided since its establishment and until now across the different banking sectors, in addition to the human development courses.
- * The number of training courses during 2019 reaches a total of 7566 training opportunities from which 20263 employees benefited, with an average of 3 training opportunities per each employee over a year.
- * This is in addition to the external training courses for the leadership levels and top management, which external courses reached 3499 training opportunities during 2019.



More Banking Services and Products

After HDB had occupied the throne of real estate financing and had been crowned as the best Arab bank in the real estate financing for successive five years, and due to the utilization of clients' trust and the desire to develop it, HDB, during the previous years, made a quantum leap in developing and updating its banking and real estate services rendered to individuals and corporates, with keeping pace with the global development of banking services, and together with the continuous follow-up to apply all what are new in the field of banking technology, so as to compete with the biggest banks operating in Egypt.



This is in addition to the expansion in issuing electronic services:

(Floussy Phone Electronic Wallet – to apply the reservation of lands and units that are related to the public lotteries via the internet efficiently and accurately)

We are in the process of launching the internet and mobile banking services during the first quarter of 2020. The results of 2019 has demonstrated a significant growth in the retail banking activity, as:

- * the growth in the amount of loans issued in the previous year reached 300%.
- * deposit portfolio achieved 101% out of the targeted for 2019.
- * 3860 credit cards have been issued during 2019 while 300 credit cards have been issued during 2018.
- * exceptional growth in car loans, as 388 loans have been made, amounting to a total of 62,6 million pounds during 4 months only.

Those results reflect the degree of trust and the increasing demand of clients for the bank's banking products.



In order to achieve the best world standards by using information technology, a strategy that aims at the comprehensive restructuring of the central operations is set, in parallel with the use of information technology, as the bank, during 2016, has updated the Core Banking System and applied the new banking system (T24) across all bank's branches.

During 2019, this system has been updated continuously and developed, and the efficiency of using it has been monitored, in conformance with the Central Bank's standards, together with the application of all modern systems, including cash transfers (ACH – Swift), in addition to the latest security systems against the cyberattacks, and the creation of a network linking all branches together, so as to achieve a better performance of the banking system.

An information exchange center has been established at the highest technological level in Borg Al-Arab City. We are also in the process of preparing an administrative center for emergency that will be similar to the one exists at the bank's branch in the First Settlement, in order to perform all the bank's tasks and works in the extreme necessity cases. This contributed to the rapid commencement of achieving the digital transformation process and developing the banking services, and consequently, contributes in fostering its competitive ability.



By contributing to capitals of many companies that achieve integration with the bank's activities through an integrated system that works on the diversity of products and activities and the increase of competitive ability, then the increase of the bank and its companies share in the market, the matter that leads to the increase of profitability, the investment portfolio in the affiliates and the sister companies realized dividends in 2019 amounting to 122 million pounds.



* The number of the bank's affiliates and sister companies amounts to 17 companies and 15 companies available-for-sale, i.e. a total of 32 companies.







Holding Co. for Investment & Development الشركة القابضة للإستثمار و التعمير المسكان بناء التعمير الإلهامات





شركة التعمير للأمن و البيئة "حماية" إحدي شركات بنك التعمير و الإسكان





التعمير والإسكان للإستثمار العقارى إحدى شركات بنك التعمير والإسكان شهم وفقاً لأسكام القائل ١٦٠١ سنة ١٩٨١













Further Geographical Expansion and Spread

Through the diversification of the geographical ranges, and the existence in all Egypt's governorates, so as to achieve wider spread in the field of rendering banking services, and to get the bank's services reach the largest number of clients in different places, especially those who have never dealt with the banking system, inheriting the concept of financial inclusion

Branches:

During 2019, seven (7) branches have been opened in (El Mahalla El Kubra – Menuf – Al-Forsan – Al-Nakheel – Al-Rehab – Chill-out – Al-Abaseya) to reach the bank's total branches by the year-end 92 branches while during 2020 we aim to increase the network of branches at the Republic level.

Automated Teller Machines (ATMs)

The number of the Automated Teller Machines reaches 273 ATMs across Egypt's governorates to fulfill the needs of about 1,9 million clients, through which it can be dealt with all accounts, including (withdrawal / deposit / transfer / paying donations / installments / paying bills / subscriptions ... and many other services).



More Giving

The bank's goal is not restricted to realizing an economic return only, but also, since its establishment, is to resolve the social and housing problems by providing suitable houses for the different society classes with prices that are relevant to all.

Through its role in the social responsibility, the bank contributed to many society-related problems, particularly health and education.

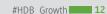
The bank did not disregard also its role in supporting persons with special needs and sport and cultural activities, and reviving maintaining heritage through many activities and contributions to all fields.

The bank's contributions reached 44,5 million pounds in 2019 addressed to all aspects of community needs.

Owing to the policies developed by the bank's top management and a long journey of our clients and shareholders' trust, the bank will remain keen on further achievements to attain the interests of shareholders, depositors and all who are dealing with the bank, together with achieving the highest rates of development and investment in all fields and the development and real estate projects.

We present to Your Honor the results of the bank's financial and non-financial activities during 2019.



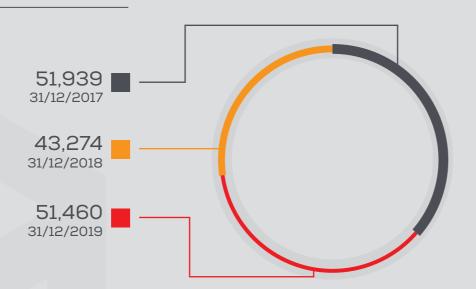




Banks' Paramount Financial Indicators for 2019

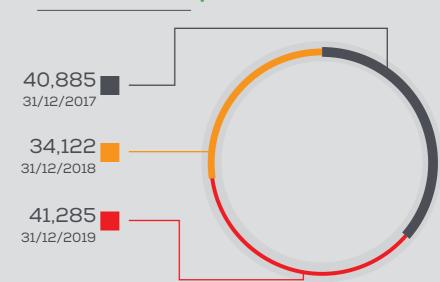
Total Assets

Total assets of the bank increased with an amount of 8186 million Egyptian pounds, i.e. 19% in 2019 higher than 2018



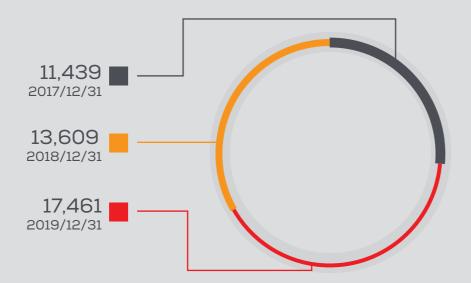
Portfolio of Client's Deposits

Client's deposits increased with an amount of 7163 million pounds, i.e. 21% in 2019 higher than 2018



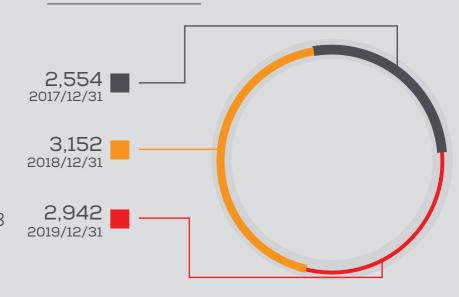
Net Loan Portfolio

Net loan portfolio increased with an amount of 3852 million pounds, i.e. a percentage of 28% in 2019 higher than 2018



Net Income from Returns

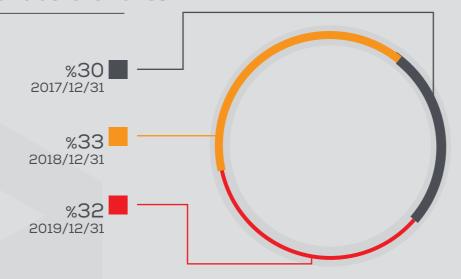
Net income from returns decreased with an amount of 210 million Egyptian pounds, i.e. 6.66% in 2019 less than 2018; this is due to the increase of deposit costs and similar costs with a percentage of 24% in 2018 against the loan return with a percentage of 8% only.





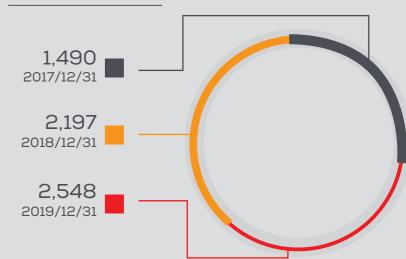
Net Profit before Taxes

The net profit before taxes increased with an amount of 351 million pounds, i.e. a percentage of 16% in 2019 higher than 2018



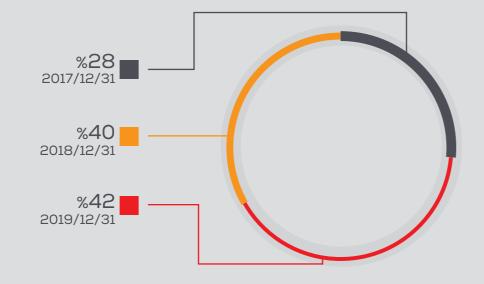
Return on Equity

The percentage of return on equity, including the net profit of 2019, reached 32%, i.e. a decrease amounting to 1% less than 2019



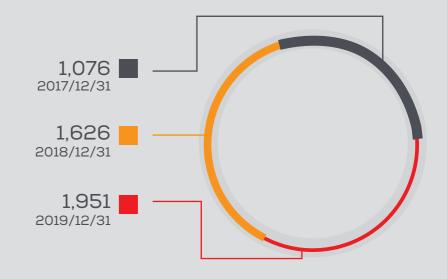
Year's Net Profit

Net profit increased with an amount of 325 million pounds, i.e. a percentage of 20% in 2019 higher than 2018



Net Loans to Clients' Deposits

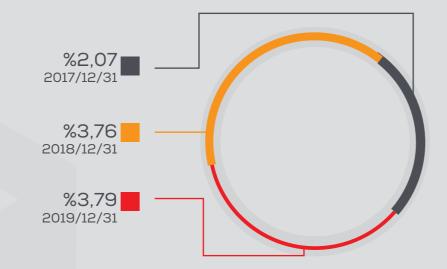
The percentage of net loans / clients' deposits in 2019 reached 42%, i.e. an increase amounting to 2% higher than 2018





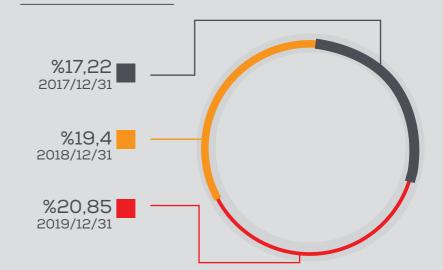
Return on Assets

The percentage of return on total assets reached in 2019 a percentage of 3.39%, i.e. an increase of 0.03 higher than 2018



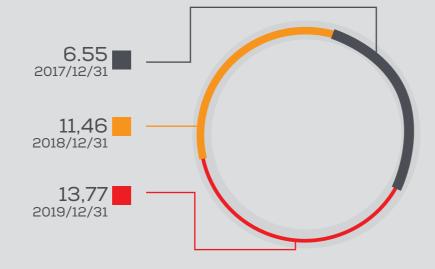
Capital Adequacy Ratio

The capital adequacy ratio in 2019 reached a percentage of 20.85%, i.e. an increase of 1.45% higher than 2018



Net Profit per Share

The net profit per share reached in 2019 an amount of 13.77 Egyptian pounds, i.e. an increase of 20% higher than 2018









Improving the work environment

- The Housing and Development Bank offers a group of competitive advantages concerning wages, salaries and health care.
- The bank also provides transportation means, recreational trips and others of social and sport advantages.



Women Empowerment

- The number of female employees represents approximately 23% of the total number of all employees working at the Housing and Development Bank.



Supporting Local Industry

- Cooperating with Mezala Organization that is affiliated to Aga Khan Organization with a view to train youths on endangered crafts with an amount of 3 million EGP.
- Nile University for Entrepreneurship participating in the Central Bank's initiative to establish an incubator in the field of building and construction.
- A cooperation protocol between the Bank and Damietta

Furniture City Company to finance workshops specialized in the furniture industry, which is a national project that seeks the development of furniture industry in the governorate where about 48% of furniture is produced out of the total furniture production in Egypt, and about 70% is exported out of the total amount of the exported Egyptian furniture.



Reducing Consumption

- The bank's interest in the environment extended to take into account the environmental dimension when preparing new branches for the bank by installing LED lighting system
- Using sanitary ware that saves water
- The annual consumption rate of paper has been reduced with a percentage of 30%









Vision



To be among the top ten ranked commercial banks in the banking market, while working on sustaining the current high operating efficiency.

Mission

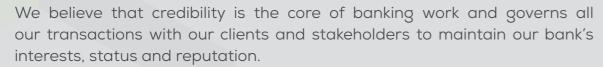


Striving to excel in rendering both banking, housing and real estate services to clients by continuously upgrading our human capital and providing a distinguished level of services for our clients to serve their needs and aspirations of the shareholders.

Values Instilled by Our Bank are:



Credibility:





Our Clients Are Our Partners:





Excellence:





Team Spirit:



We believe in working as one team to achieve our bank's vision and objectives, and to build distinguished work connections and relations, together with encouraging the competitive spirit that is constructive to employees.



Respect:

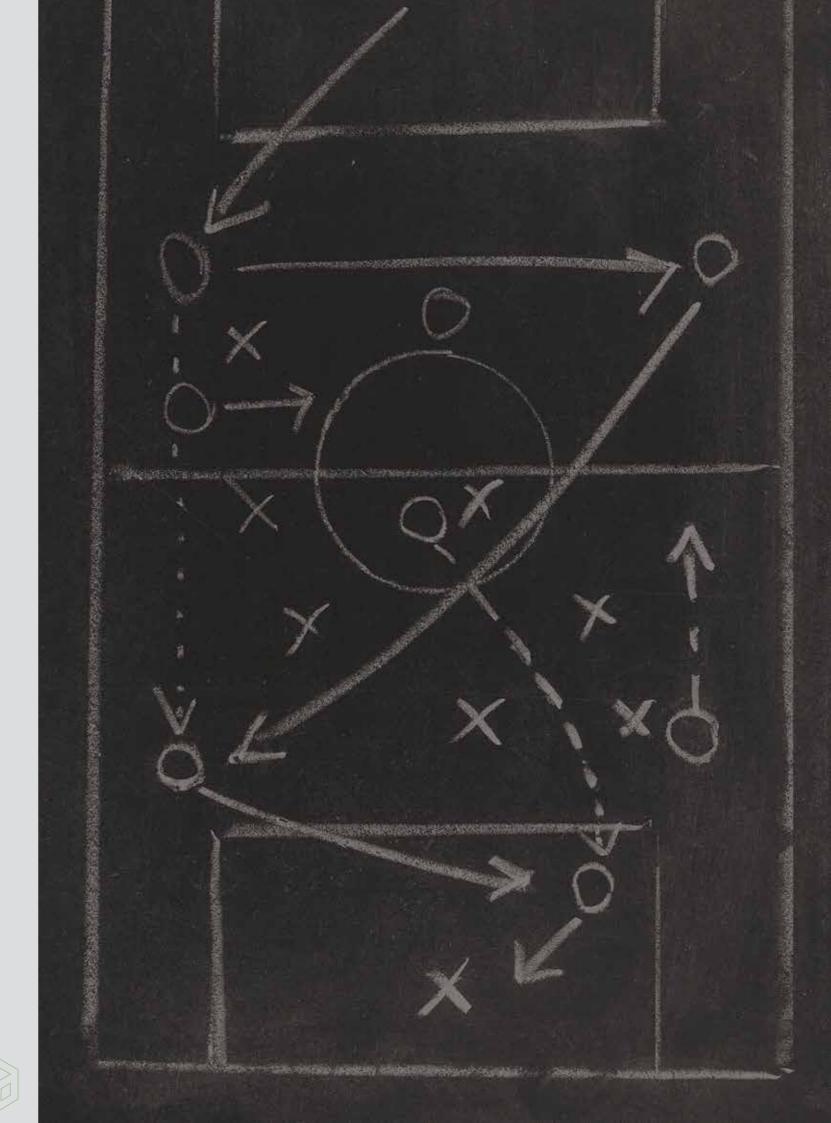


We build up all our relations with others based on respect and equality, and on maintaining dignity at all levels.

Sustainable Development:

We are working hard to be an active and responsible member in our society to achieve the goals of sustainable development represented in the commitment to the governance principle and the social and environmental standards, focusing on the social role, not only the economic return.









Award of Best Arab Bank

Specialized in Real Estate Financing and Development for the Year 2019

For the fourth year in a row, the award of the best Arab bank specialized in real estate financing and development for the year 2019 goes to the Housing and Development Bank; this happened during the annual ceremony of the World Union of Arab Bankers held in Beirut. This is the annual meeting held by the Union for naming the awards of banking excellence and achievement, in honor of the Arab banking institutions for efforts and giving provided by them, in order for the advancement of the banking industry at the Arab world level.



The bank is aware of the necessity of adherence to the best practices in the governance field, which practices emanate from the importance of applying the good governance policies and procedures, and are considered by the bank as a general culture and a long term vision and strategy to be applied sustainably, not only in the short run, with a view of maximizing the institution's value for the shareholders, maintaining the clients and investors' trust and reserving the rights of stakeholders and bank's employees and whom are therewith dealing.

Governance

The bank is also committed to ensure that all its activities are done in accordance with the applicable banking systems and rules, and with the relevant rules and laws, and in application of the directives of the Central Bank of Egypt and the Anti-Money Laundering Unit. Accordingly, there is an independent department at the bank for the adherence to the purpose of identifying, monitoring and assessing any risks arisen out of the non-adherence, and for supplying the bank with the technical opinion and the continuous control on the adherence-related risks. Such department also works on ensuring of the adherence to the code of ethics.

Within the same scope, the bank has activated certain modern technological applications that are related to the anti-laundering and terrorism financing, and are represented in:

- * SAS PLATFORMGO
- * SIRON EMBAR
- * GRC

Adherence to Regulatory Controls

- * The Housing and Development Bank is subject to many local and international laws, legislations and regulatory instructions, and all employees working therein adhere therewith, together with commitment to keep the confidentiality of information and enforce the resolutions internally issued by the board of directors and the top management.
- * The employees are also forbidden to do any practices that would help the clients in hiding any data related to identity or tax evasion.

Anti-Money Laundering

- * The bank adheres to the laws and legislations related to anti-money laundering and terrorism financing, and shall exert all efforts to identify the clients' identities and the purpose of their transactions and their conformance with the activity nature and income.
- * It adheres to the accuracy of procedures that must be followed in case there is any suspicion.
- * It shall report promptly, accurately and secretly any suspicious or unusual activity when dealing with clients that there is a suspicion of money laundering or terrorism financing.
- * The employees shall not divulge to any client or beneficiary about any data or information related to investigation or examination, and shall report any suspicion cases related to money laundering due to the secrecy of those cases.
- * In case of any suspicion, the division supervising adherence (Anti-Money Laundering Unit) shall be informed.



Confidentiality of Information

- * The employees shall keep the protection of bank's information that is not intended for dissemination, and all what is related to the data and accounts of clients, suppliers and whom are dealing with the bank.
- * The bank shall observe the privacy of all its partners in all transactions, especially clients, in addition to the adherence to all laws governing the secrecy of commercial transactions.
- * Disclosure of any information related to a client shall not be made to another party unless the procedures and instructions issued in this regard are undertaken.

Conflict of Interests

- * It is absolutely forbidden to utilize information or financial positions perused by the employees in a way resulting conflicts of their personal interests on one side, and conflicts of the bank and clients' interests on the other side.
- * The employees or their relatives of first degree are not allowed to carry out any personal business with clients.

Risk Management

The bank attaches great importance to the risk management at all levels by providing a framework guaranteeing accurate balance between risk and return, whereas the risk division works on identifying, measuring, controlling, monitoring and managing the risk. A report on critical risks is regularly prepared for the risk committee, in addition to presenting a periodic evaluation of the effectiveness of regulatory controls of risks ... the bank continues to enhance the frames of identifying risks to guarantee the early alert indicators and to make decisions timely. In this context, the risk division took the following actions:

- * Continuance in periodic reviews of the creditworthiness of all credit facility clients (corporates) individually, with a view of discovering any negative indicators or retreat that necessitates to take precaution measures.
- * Analyzing the kind and quality of the credit portfolio is made according to the key performance indicators, and stress tests will be carried out to measure the bank's capitalism base ability to covering and absorbing losses that may inflict to the bank. * In case any presumed scenarios are occurred.
- In the context where the bank's management is keen and cares about developing the control and monitoring systems continuously, many methodologies are being applied to measure the operation risks, aiming at identifying and assessing the risks exposed to the bank, with a view of taking the appropriate control actions that facilitate the decision-making process in reducing risks, mainly:
- * The continuance of following a proactive approach to limit the operational risks by updating the risk matrices of the different work centers at the bank, within the frame of applying continuously the Risk Control Self-Assessment Methodology (RSCA), and determining the key risk indicators at the level of the different bank activities.
- * Development of Key Risk Indicators at the bank, which are being relied on as an indicator or indication to the possible risks, are considered as early warning system for the possibility of exposure to a particular risk.
- *Development of mechanism and methodology of stress testing. The Internal Capital Adequacy Assessment Process (ICAAP) is also carried out continuously, which process resulted in outcomes demonstrating the ability of the bank's capitalism base to cover and absorb all risks that may be exposed to the bank.

Our Employees

The bank adopts a leading approach, whose pivot is personnel, thereby providing inspiration, support and guidance to its employees, and the bank strongly believes that empowerment of its employees represents a necessity to achieve the sustainability of carrying out processes, the matter that represents a comprehensive goal, with a view of achieving the required business model that is based on attaining development and clients' satisfaction. The bank puts a great deal of trust in its employees, and the greatest deal of care to provide benefits for them and to achieve prosperity for them, the matter that leads, in return, to raising the satisfaction level of employees and to reducing the labor turnover rates.

- * The bank expects each of its employees to be an ambassador by representing its high-level ethical standards as a bank that has a value-driven management, and the bank instills its values and commitments in new employees through an induction program and leadership training programs.
- * It also develops a sense of belonging that encourages employees to be more eager to identify potential concerns and express them freely in such situations.
- * The bank complies with all applicable laws, regulations, existing standards, agreements or guidelines regarding human rights and employee prosperity by adhering to the following principles:
- The bank abstains from exploiting children labor.
- The Bank provides humane and decent working conditions in which employees receive treatment that maintains their respect and dignity.
- The bank prohibits willful discrimination on the basis of race, religion, political beliefs, or any other basis.
- The bank guarantees a safe and healthy work environment.
- Salaries and employment benefits are paid on time in accordance with labor laws and employee regulations.
- The bank respects the right to join trade unions, whereby employees have the right to join, form, or abstain from any trade union without fear of being punished, threatened or harassed.

Facilitating Employee transportation:

The bank is keen to provide its employees with an easy and subsidized means of transportation to increase productivity and enhance general welfare.

Recreational trips.

Social and sport activities.

Freedom to form associations and collective bargaining.







Mr./ Hassan Ghanem

Chairman of the Board of Directors and Managing Director

Housing and Development Bank.

Mr. Hassan Ghanem joined the Housing and Development Bank in September 2017, where he held the position of the Managing Director for Banking Affairs, then, he held the position of Deputy-Chairman of Board of Directors & Managing Director in January 2018. In December 2019, Hassan Ghanem officially started to exercise the functions of his office as the Chairman of the Board of Directors and Managing Director for the Housing and Development Bank.

Ghanem has an extensive banking experience up to around 34 years in the field of Corporate Finance, Structured Finance, and Banking Operations in addition to the banking services of multinational companies. Ghanem gained such extensive experience through working in regional and domestic multinational financial institutions.

- Hassan Ghanem joined ALEXBANK in October 2014. He held the position of Head of Corporate Banking Services, and Head of the Banking Investment, Financial Institutions, and Bank Transfers Sector. In March 2017, he was appointed as an Executive Board Member of the Board of Directors of ALEXBANK; beside the inclusion of the Mediumsized Enterprises under his leadership to become the Head of all the sectors specialized in Corporate Finance.
- Ghanem also held the position of Head of the Corporate Banking Sector at Emirates NBD (previously BNP Paribas).
- In addition to several leading positions for several entities, including membership in the Board of Directors in each of the following: of Emirates NBD Company for Financial Leasing, and Alcatel Egypt, which is considered one of the global companies working in the field of communications.
- Ghanem had started his professional banking career at MI Bank, where worked his career path in banking and leading positions during the period from 1986 2005.
- Ghanem's professional expertise is based on a distinguished academic study after receiving his Bachelor's Degree from the Faculty of Commerce —Ain Shams University, he earned a Master's Degree in Business Administration MBA (Finance Specialization). He also got a diploma in finance and investment.





Dr. Engineer / Assem Abd El Hamid El Gazar

Minister of Housing, Utilities, and Urban Communities.

Minister of Housing and Utilities as of 2020 and to date.

Chairman of the Board of Directors of the General Authority for Urban Planning at the Ministry of Housing, Utilities, and Urban Communities; besides, he is a teaching staff member at the Faculty of Urban and Regional Planning, Cairo University.

He earned the following degrees:

- B.A in Regional and Urban Planning- Cairo University.
- Ph.D. from the Department of Urban Design, Faculty of Urban and Regional Planning, Cairo University.
- He earned a multitude of specialized diplomas and certificates in Urban Design, Ecotourism, methods and techniques of Environmental Monitoring, Environmental Impact Assessment, and Management from a number of universities and specialized scientific centers, such as Cairo University, Oxford Brookes University in the United Kingdom, and the University of George Washington in the United States of America.

Dr. Assem Abdel Hamid is a member of the Board of Directors for: -

- -Technical Secretariat of the Supreme Council for Planning and Urban Development
- Housing & Development Bank.
- The Ministerial Committee for Suez Canal Corridor Development.
- -Tourism Development Authority.
- National Center for Planning State Land Uses NCPSLU
- The Saudi Egyptian Company.
- A multitude of other technical centers, institutes, and committees.

Moreover, he has a large body of scientific researches and studies, including:

- Development of the Nile façade for the cities of Aswan Governorate.
- Development of Cairo's Nile façade.
- -Planning Standards for utilities' services in the Egyptian cities.
- Environmental Impact Assessment.

In addition to his participation in many major tourism projects in Ain Sokhna, Marsa Alam, the Northern Coast, Helwan, the Pyramids and Ras El-Bar.





Engineer / Randa Aly Saleh El Menshawy

Board Member/Representative of the New Urban Communities Authority.

- Mrs. / Randa Aly Saleh El Menshawy holds the position of First Vice Prime Minister, and Deputy Minister of Housing, Utilities and Urban Communities since 2019 and to date.
- She earned a Bachelor's degree in Architectural Engineering in 1985
- Randa El Menshawy represents practical experience in the field of public work, since she graduated from university.
- Thanks to her skills and seriousness, she worked up her way through leading and administrative positions.
- -She held a number of positions inside the Ministry of Housing before 2019, including:
- Supervisor of the office of the Minister of Housing.
- Undersecretary of the Ministry of Housing, since 2011 through 2017.
- Head of the Central Administration for the Affairs of the Minister's Office from October 2009 till June 2011.

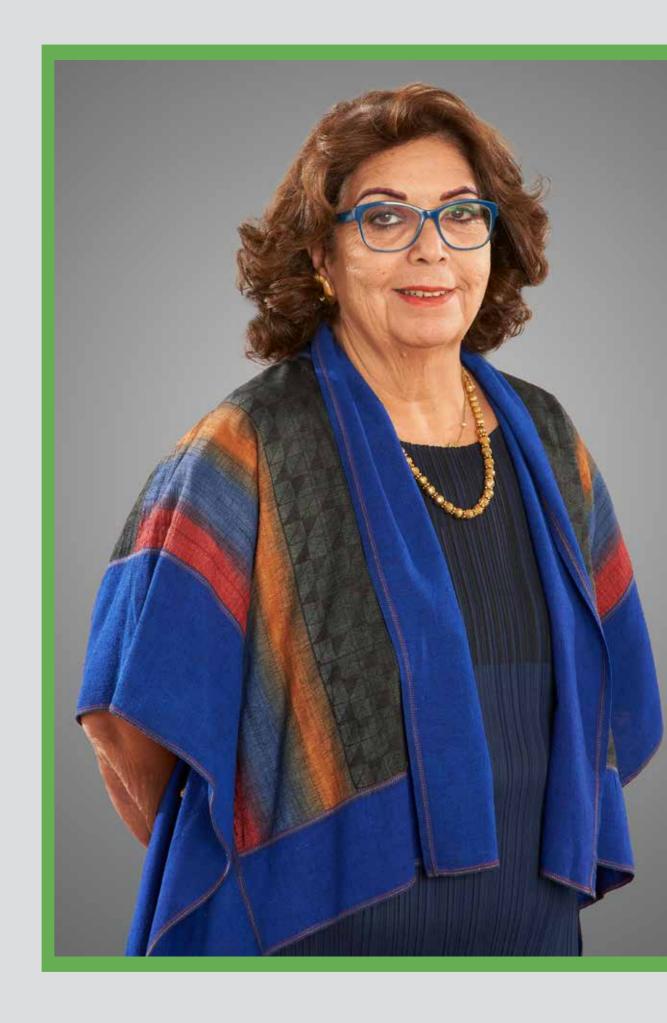




Mrs. / Naiera Nazeh Ahmed Amin.

Board Member- Independent (Experienced)

- She holds a BA in Economics and Business Administration.
- She held various positions and rose through them:
- Citibank with all its different sectors:
- Private and Public Corporate Finance.
- External and financial transactions.
- Head of Corporate Finance and Credit in Egypt.
- Head of Corporate Finance and Credit Risk Manager Tunisia.
- Chief Officer (General Manager) Tunisia.
- Regional Manager for Credit risk in North Africa for Citibank Group.
- General Manager of Retail Banking and Branch Networks Bank Audi.
- -Chief Executive Officer and Managing Director Piraeus Bank





Engineer / Tarek Kabil Mohamed Abd El Aziz Kabil

Board Member-Independent (Experienced).

Minister of Trade and Industry in the Arab Republic of Egypt during the period from 2015-2018.

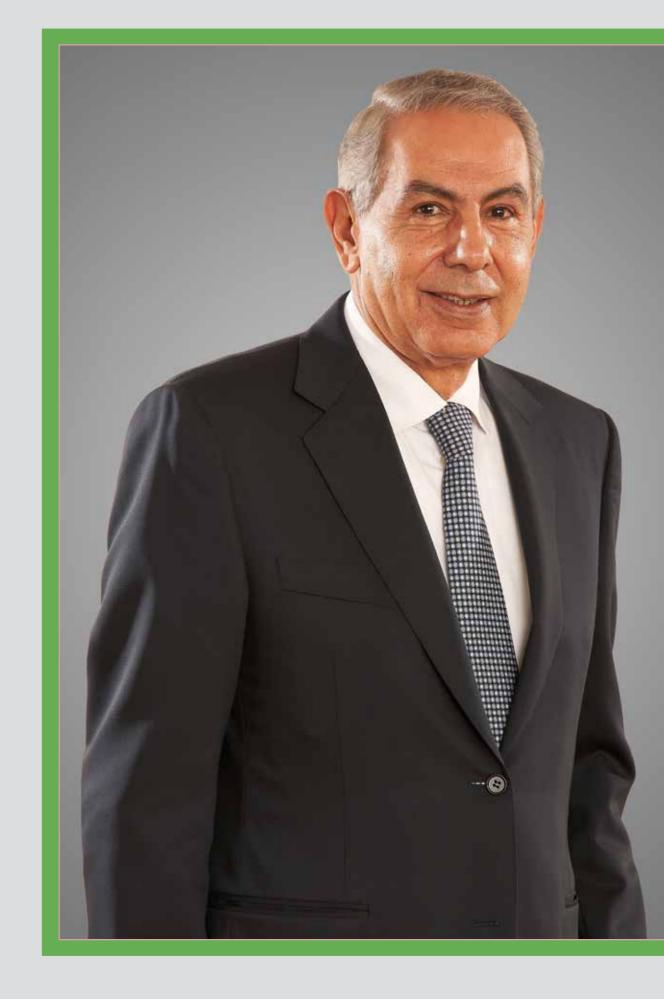
Engineer / Tarek Kabil is a member in many major economic and investment companies and groups due to his work and academic experience in the field of economics and trade:

- Cleopatra Hospitals Group
- Housing and Development Bank.
- Egyptian American Enterprise Fund.
- Lilas Group, Tunisia.
- City Edge Developments Company.
- Egypt Foods Group.

Eng. / Tarek Kabil had previously worked and gained work experience throughout the years, since his graduation until he held the position of the Minister of Trade and Industry. He worked for a number of major companies, whether inside or outside Egypt since 1979, including

- Arab Petroleum Pipelines Co. (SUMED)
- Procter & Gamble Company.
- PepsiCo International.
- Abraaj Group.

Eng. / Tarek Kabil career did not stop at the limits of his professional success on the personal level; rather, he contributed, during the period he took over the Ministry of Trade and Industry, to the realization of a number of achievements that are credited to him thanks to his competence- since he contributed to the establishment of the Micro, Small & Medium Enterprise Development Agency, as well as the Export Development Authority for the first time in the Arab Republic of Egypt.





Engineer / Khaled Mahmoud Ahmed Abbas

Board Member / Representative of the New Urban Communities Authority.

Eng. / Khaled Mahmoud Ahmed Abbas holds the position of Deputy Minister of Housing, Utilities and Urban Communities.

He holds a Bachelor's Degree in Architectural Engineering- Ain Shams University, in addition to a number of training courses specialized in the fields of: Business Administration.-Strategies and corporate structuring-Business development.

Eng. / Khaled held the position of the Executive Manager of the Social Housing Fund, besides, he has been a member of the Board of Directors of many major establishments and companies:

- Housing and Development Bank.
- Holding Company for Insurance.
- The Administrative Capital of Urban Development (ACUD).
- El Mostakbal for Urban Development Company.
- AlOula Group for Mortgage Finance.
- The Holding Company for Construction.





Dr. / Gamal Sorour Salem Younis

Board Member / Representative of Misr Life Insurance Company.

Dr. / Gamal Sorour holds the position of Head of Investments Sector at Misr Life Insurance Company, where rose through the Company's leading positions.

- He earned the following degrees:
- Bachelor of Commerce Helwan University.
- Postgraduate Diploma in Financial Management Cairo University.
- Master's degree from the Arab Academy for Science and Maritime Transport. PhD in Public Management from the Faculty of Economics and Political Sciences Cairo University.
- -In addition, he held a membership in the Board of Directors of a number of banks operating in Egypt, such as, Misr Iran Development Bank (MID Bank), the Egyptian Gulf Bank (EG Bank), and SAIBANK (SAIB).

He did not stop at the limits of professional and academic success only; however, his work experiences superseded the banking field to the investment field, where he participated in the assessment of feasibility studies for investment projects in all fields, as well as preparation of corporate restructuring plans in terms of finance, administration and many investment and accounting activities.

. He participated in several training courses and workshops in a number of banks and companies both in London and Switzerland.



Mr. / Ahmed Atteya Mohamed Abo Elwafa

Board Member / Representative of El-Awqaf Egyptian Authority.

He holds many positions in the Ministry of El-Awqaf, including:

- Deputy Minister of Economic and Investment Affairs at El-Awqaf Egyptian Authority.
- General Manager of the Financial and Administrative Affairs at Al-Doaah Hospital.
- General Manager at the General Administration for Training Centers.
- Head of the Department of Revenues Surplus Accounts.
- Director of the Office of the Head of the Central Administration for Financial Affairs.

He also received several training courses to develop the cognitive and professional dimensions:

- General Manager of the Central Agency for Organization and Administration.
- A number of computer courses from the Council of Ministers.
- International Computer Driving License (ICDL).
- A training course in taxes from the Ministry of Finance.
- General qualification course at the Ministry of El-Awqaf.

Mr. / Ahmed Atteya represents an administrative experience and a professional efficiency that combines possession of the scientific tools and skills with the required administrative features.



Mr. / Hossam El Din Hefnawy Mostafa Kamel

Board Member / Representative of Misr Life Insurance Company.

Mr. / Hossam El Din Hefnawy holds the position of Head of General Insurance Sector – Central Region.

He earned the following degrees:

- Bachelor's degree of Commerce (Insurance Division) Cairo University.
- Postgraduate Diploma.
- A certificate from the Chartered Insurance Institute in London (CII).
- Fellowship of the Chartered Insurance Institute- London.

He assumed jobs in the Insurance Sector, and held a number of leading positions, including:

- General Manager of Reinsurance at the Office of the Sector's Head.
- General Manager of Accident and Fire Insurance.
- Manager of Risk Management Department.

Moreover, he holds membership of boards of directors in a number of major companies and organizations, such as:

- Board Member at Housing and Development Bank, and a member in the Audit, Governance, and Risk Committee.
- Board Member for Dakahlia Sugar Company.
- Board Member for ACPA Alexandria Company For Petroleum Additives
- Board Member for Gastec Company.

Mr. / Hossam El Din Hefnawy has received many training courses and workshops, whether inside the Arab Republic of Egypt, or in a number of foreign countries in the fields of insurance, accounts, industrial risks and financial risk management. He also participated in visiting a number of markets in Arab and foreign countries, such as: (Qatar, Turkey - Sudan - UAE - Bahrain)





Mr. / Ahmed Saad El Din Abdo Abu Hendia (Ahmed Abu Hendia).

Shareholder.

- He holds a B.A Degree in Law- Ain Shams University in 1987.

Professional Experience:

A lawyer and legal consultant for several companies, organizations, and individuals inside Egypt, and other Arab and foreign Countries. In addition, he is a registered arbitrator at the Ministry of Justice, and Cairo Regional Centre for International Commercial Arbitration.

Assemblies:

- Member at the Egyptian Bar Association.
- Member of the Arab Lawyers' Union.
- Member of the American Chamber of Commerce in Egypt.
- Member of the Arab Management Association.
- Member of the International Bar Association.
- Member of the Cairo Regional Centre for International Commercial Arbitration.
- Member of the Egyptian Lebanese Businessmen Friendship Association

Board Member in:

- El-Swedy Electric, an Egyptian Joint Stock Company- Member of the audit committee.
- National Company for Maize Products, an Egyptian Joint Stock Company, member of the audit committee.
- Egyptian Resorts Company, an Egyptian Joint Stock Company.
- First Arabian Development & Investment Company S.A.E (Deputy Board of directors).
- Cairo 3 A Company for International Industries.
- Egyptian Hydrocarbon Company an Egyptian Joint Stock Company.
- OPC Oriental Petrochemicals Co., an Egyptian Joint Stock Company.
- Delta For Tourism & Hotels, an Egyptian Joint Stock Company.
- Arab Company for Investments, an Egyptian Joint Stock Company.
- Gulf Building and Construction Company, an Egyptian Joint Stock Company.
- Information Technology & Services Co., an Egyptian Joint Stock Company.
- Femex for Import Company, an Egyptian Joint Stock Company.
- New City for Housing and Development Company, an Egyptian Joint Stock Company.
- Haram City Contracting Co., Egyptian Joint Stock Company.





Mr. / Sherif Ahmed Mohamed Al-Sayed Al-Akhdar

Representative of RIMCO EGT Investment

Education:

- -Master's degree in Financial Sciences-George Washington University.
- -Bachelor's degree in Accounting, minor: Economics The American University in Cairo.

Founder and Executive Partner of:

- Managing a direct investment fund of 100 million dollars, BPE Partners for Direct Investment (an Egyptian joint stock company) Cairo, Egypt.

Partner and Member in the Executive Committee:

- Extensive experience in searching for opportunities to conclude and structure transactions, as well as in managing portfolios.
- -Concluding purchase transactions for companies shares, managing their structure and initiation with a total value of 240 million dollars.
- Supervising portfolio investments, and representing the Board of Directors in such operations, in several sectors including real estate, manufacture, energy, cars, non-banking financial services, tourism, and the consumer goods sector.
- Managing the operational and financial restructuring of an international company manufacturing kitchenware and tableware products.
- Managing the exit deal of two investment companies.

 Managing the fundraising process for mutual funds with values exceeding 196 million dollars.
- Conducting due diligence examinations, consultations with external consultants, meetings with managerial boards, and discussions with financing entities.
- Analyzing market conditions, and conducting market reading for different types of investments- American Capital Strategies Limited, Washington, United States of America.
- Assisting in drafting strategic guidelines, as well as forming structures, and drafting investment memos- for three private equity funds with a capital of value equals 4.7 billion dollars, a hedge fund of value of 500 million dollars, and a Public Debt distress fund of 500 million dollars.
- -Working with investors in fund raising, Supervising investments, and post-closing operations.
- Preparing models for mergers and acquisitions, as well as

share purchases, conducting required assessments- ABT Associates, Inc., Washington DC, United States of America.

Consultant:

- -Supporting financial services and client's portfolios in emerging markets with respect to identifying and investigating problems related to strategy, policy, markets, organization and operations.
- Serving customers on strategic issues through interaction With management bodies, and analyzing the financial performance of investment operations, and conducting analyses for companies.
- Analyzing financial services industry in the different emerging markets, and preparing competitive analyzes for several banks and insurance companies.

Representing previous and current Boards of Directors:

- -LimeVest Partners s.a.e. (An Egyptian joint stock company).
- Dar Al Teb for Medical Services (Egyptian Joint Stock Company).
- -Al-Ibtesama Hospital SAE (Egypt Joint Stock Company).
- Beltone Direct Investment (an Egyptian joint stock company).
- Madinet Nasr Housing & Development, (an Egyptian joint stock company).
- Metalar (an Egyptian joint stock company). -- Total Egypt.
- Pickalbatros Holding for Financial Investments (an Egyptian joint stock company).
- The Arab Financial Investments Company Egyptian joint stock company).

Membership in Assemblies:

- Member of the Board of Frontier Markets in the Association of Direct Investment in Emerging markets
- Member of the Egyptian Private Equity Association (for Direct Investment).

Others:

- He won the Graduation Cup from the American University in Cairo for academic achievement and extracurricular activities Languages: Arabic and English (fluency level). vice president:
- -Concluding 7 acquisitions in several sectors. Analyzing the applicability of new investment strategies, whether geographical, or relevant to a specific sector.
- -Identifying additional acquisitions and financing opportunities.









Mr. / Walid Mohamed Hamdi Matar

MD Assistant for Retail Banking and Branches.

-He earned a Bachelor's degree in the Sciences of Business Administration.

He rose through a number of positions detailed as follows:

- Sales Manager of bank cards (American-Express Cards) - Cairo.
- -Public Relations Manager for corporate accounts at Diners Club Cairo.
- Sales Manager of bank cards at the United Bank- Egypt.
- Sales Manager at Piraeus Bank Egypt, where he established and set out the business plans and strategies at the Credit Department, until he was promoted to the position of Credit Manager for bank loans for commodities and cars.
- Manager for the Projects Department, and the Deputy Resident Manager at Citi Bank, Cairo, Egypt.
- Manager at the Finance Department, "Banque du Caire."-Egypt



Mr. / Mohamed Mostafa Ahmed Abdul - Aaty MD Assistant for Operations

Mohamed Mostafa Ahmed Abdul-Aaty, born in November 1966; Bachelor's degree in Business Administration from the Faculty of Commerce-Ain Shams University in 1988; Grade: Good. He joinedworkatthe Egyptian American Bankin June 1991. He got several training courses in the field of banking, including: courses on International Financial Reporting- Financial Instruments, proactive banking relationships- under the supervision of Cohen Brown Management Group, Assessment of international credit risk Great leaders, Great Teams, Great Results-Dubai, UAE.

He worked his career path until he reached the position of Customer Service Manager at

Maadi's Branch of the Egyptian American Bank in 1994.

He then moved to work for Mashreq Bank- Salam Branch in December 1995 as a Customer Service Manager. Then, he was promoted to the position of Senior Customer Service Representative in 1997, then, was appointed a Manager for Baniyas Branch - Mashreq Bank in 1998, then a Manager for Al Muroor Branch in 1999, and then, he became a Manager for Salam Branch of Mashreq Bank in 2001.

In 2001, he held the position of Assistant Deputy Manager for Salam Branch- Mashreq Bank in Cairo; then, a Regional Manager, and a Deputy Manager for Mashreq Bank in Abu Dhabi and Al-Ain in the United Arab Emirates in 2005.

Later, he became Deputy Manager for Mashreq Bank in Cairo, and Distribution Manager in 2009.

In 2013, he held the position of Deputy Executive Manager for Union National Bank-Egypt. In 2017, he was promoted to the position of Deputy Executive Manager and Board Member at the Union National Bank



Mr. / Tamer Ismail Negm.

MD Assistant for Corporate Credit, Joint loans, Treasury, and Investment.

- -He earned the following degrees:
- Bachelor's degree in Business Administration Sciences, the Department of Banks, Sadat Academy for Management Sciences.
- Postgraduate Diploma in Management Sciences.
- A specialized diploma in Bank Credit Basics from The Arab Academy for Banking and Financial Sciences- American Bankers Association.

- He rose through several positions, detailed as follows:

- He held the position of Credit Specialist in the Department of Corporate Credit Misr International Bank (MIB).
- He later moved to work as Assistant Supervisor for Corporate Credit, At Misr International Bank
- He also worked as a Manager for the Central Relations Department of Corporate Group at Misr International Bank.
- He held the position of Head of the Central Corporate Group Sector at Misr International Bank (acquisition by National Société Generale Bank (NSGB).
- General Manager and Head of the Department of Major Companies at BNP Paribas Bank.
- Deputy General Manager for the Central Corporate Group at BNP Paribas Bank.
- Manager of the Department of Major Companies at BNP Paribas Bank.
- The Executive Manager in charge of the Banking Services Department of big companies at ALEXBANK.
- Manager of the Department of Major Companies at BNP Paribas Bank.
- The Executive Manager in charge of the Banking Services Department of big companies at ALEXBANK.







Heads of Sectors, Regions, and Central Areas

•	Mostafa Abdul Rahman Gabr	Regional Manager for Area One
•	Medhat Al-Sayed Mohamed Redwan	Regional Manager for Area Two
•	Moataz Mohamed Mamdouh Hosny	Regional Manager for Area Three
•	Mohamed Al-Sayed Maharik	Head of Middle and South Cairo Sector.
•	Tarek Abdul-Alim Mohamed Negm	Head of East Cairo Sector
•	Essam Sultan Ayoub Sayed Sonbul	Head of North Cairo Sector
•	Ashraf Mohamed Al-Sa'eed Abdul-Aziz	Head of West Cairo and 6th Of October Sector
•	Jihan Mohamed Al-Ansary	Head of Alexandria and Lower Egypt Sector
•	Sherif Mohamed Mahfouz	Supervisor on the Northern Upper Egypt Sector
•	Alaa Adel Ali Mahmod Al-Subai'y	Head of the Southern Upper Egypt Sector.
•	Ibrahim Mohamed Ibrahim Sabbak	Supervisor on the Canal and Sinai Sector
•	Mohamed Awad Awadein	Supervisor on the East Delta Sector
•	Mohamed Khaled Omar Demerdash	Head of the Planning, follow-up and Performance Assessment Sector
•	Gamal Mahmoud Ahmed Sulaiman	Head of the Financial Affairs Sector
•	Ahmed Mohamed Fouad Al-Khouly	Head of the Treasury Sector
•	Ehab Fathy Kasem Ahmed	Head of the Central Banking Operations Sector
•	Mohamed Sayed Adel Al-Badawy	Supervisor on the Cheques and Joint loans Sector
•	Sherif Mounir Mohamed Ali Al-Maghraby	Head of the Small and Medium Sized Enterprises Sector

Hesham Milad Amir Gendy	Head of the Real Estate Financing Sector
Ahmed Sayed Hussein Ismail Al-Tayyar	Head of Risk Sector
Mohamed Reda Khalil	Supervisor on Credit Follow-up Sector
Mohamed Ibrahim Al-Desouky	Head of Operations Monitoring Sector
Mohamed Fekry Amin Mohamed	Head of Information Systems Sector
Manal Saad Zaghloul Mohamed Issa	Supervisor on the Information Security and Systems Governance Sector
Mohamed Zakariya Mohamed Zain	Head of the Financial Supervision Sector
Ashraf Ibrahim Azzab Abu Zaid	Head of the Legal Sector for Investment, Contracts, and Investigations
Hesham Mohamed Kamel Abul-Fotouh	Head of the Central Legal Sector
Ahmed Ibrahim Mohamed Al-Desouky	Head of the Legal Sector for Regional Affairs
Doaa Tawfik Gameel Yassin	Head of the Human Capital Sector
Mohamed Ahmed Hassan Metwally	Supervisor on the Administrative Affairs Sector
Mostafa Mohamed Ahmed Badawy	Head of the Engineering Implementation Sector
Seddiq Mohamed Moussa Seddiq	Head of the Technical Affairs Sector
Mohamed Khaled Abdul-Raouf Al-Feky	Head of the Real Estate Assets Sector
Ahmed Mohamed Seif El-Din Farahat	Head of the Internal Audit Sector
Ahmed Mohamed Ali Sulaiman	Head of the Housing and National Projects Sector





Forming Board Committees

FIRST: INTERNAL AUDIT COMMITTEE

 Mrs. / Naiera Nazeh Ahmed Amin 	Committee Chairperson
• Dr. / Gamal Sorour Salem Younis	Committee Member
Mr. / Hossam El Din Hefnawy Mostafa	Committee Member

SECOND: RISK COMMITTEE

 Engineer / Tarek Kabil Mohamed Abd El Aziz 	Committee Chairperson
Mrs. / Naiera Nazeh Ahmed Amin	Committee Member
Mr. / Hossam El Din Hefnawy Mostafa	Committee Member
Mr. / Ahmed Atteya Mohamed Abo Elwafa	Committee Member
• Dr. / Gamal Sorour Salem	Committee Member

THIRD: GOVERNANCE AND NOMINATIONS COMMITTEE

Mr. / Hossam El Din Hefnawy Mostafa	Committee Member
• Dr. / Gamal Sorour Salem	Committee Member

FOURTH: SALARIES AND BONUSES COMMITTEE

• Mrs. / Naiera Nazeh Ahmed Amin	Committee Chairperson
• Engineer / Tarek Kabil Mohamed Abd El Aziz	Committee Member
Engineer / Randa Aly El Menshawy	Committee Member
Engineer / Khaled Mahmoud Ahmed Abbas	Committee Member
Dr. / Assem Abd El Hamid El Gazar	Committee Member
• Mr. / Ahmed Atteya Mohamed Abo Elwafa	Committee Member

FIFTH: DONATIONS COMMITTEE

• Mr./ Hassan Ismail Helmy Ghanem	Committee Chairperson
• Dr. / Assem Abd El Hamid El Gazar	Committee Member
Mr. / Ahmed Atteya Mohamed Abo Elwafa	Committee Member
• Dr. / Gamal Sorour Sale	Committee Member

SIXTH: ENGINEERING AND REAL ESTATE AFFAIRS COMMITTEE

• Engineer / Tarek Kabil Mohamed Abd El Aziz	Committee Chairperson
• Dr. / Assem Abd El Hamid El Gazar	Committee Member
Engineer / Khaled Mahmoud Abbas	Committee Member
• Engineer / Randa Aly El Menshawy	Committee Member

SEVENTH: IT DEVELOPMENT COMMITTEE

• Mr./ Hassan Ismail Helmy Ghanem	Committee Chairperson
Engineer / Khaled Mahmoud Abbas	Committee Member
• Engineer / Randa Aly El Menshawy	Committee Member

EIGHTH: INVESTMENT COMMITTEE

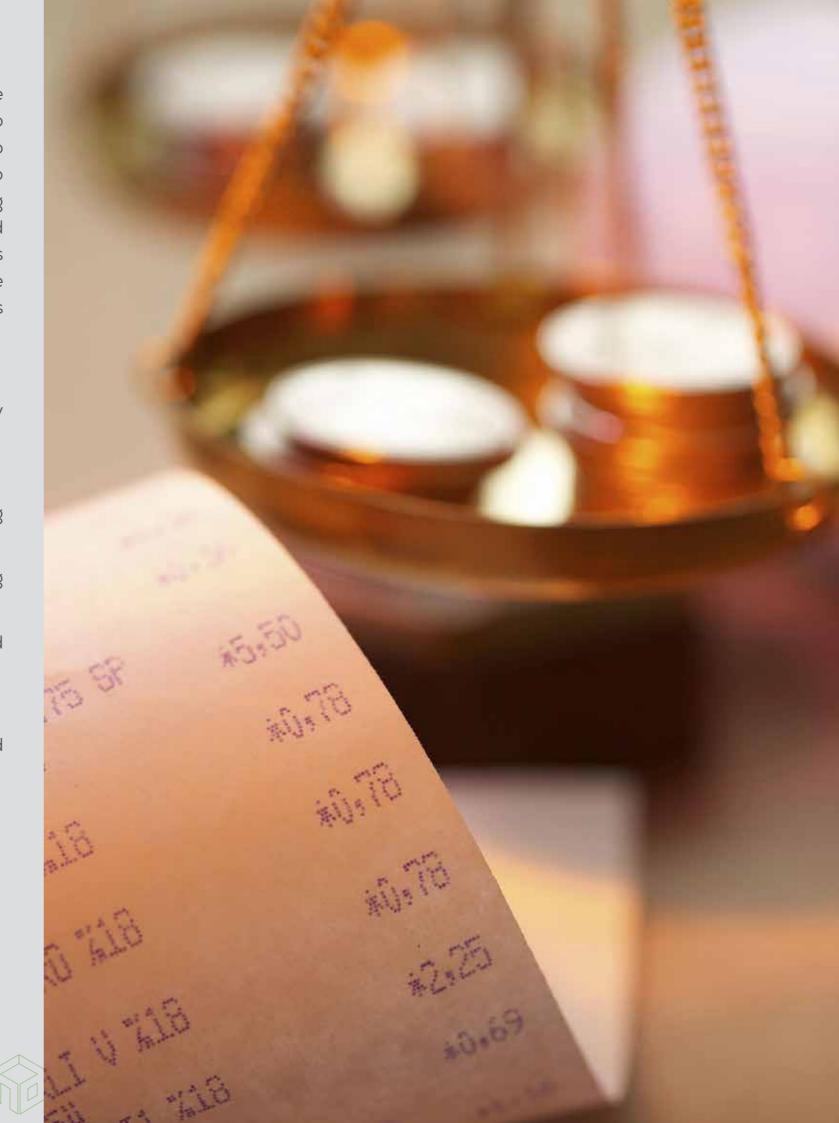
• Dr. / Gamal Sorour Salem	Committee Chairperson
Engineer / Khaled Mahmoud Abbas	Committee Member
• Dr. / Assem Abd El Hamid El Gazar	Committee Member
Mrs. / Naiera Nazeh Ahmed Amin	Committee Member
• Mr. / Hossam El Din Hefnawy Mostafa	Committee Member





In the light of the Bank's strategy, which endeavors to be present among the biggest 10 banks, during the period between 2019- 2023, the Bank had to work pursuant to an action plan, which it commenced since 2016 in order to achieve such strategy. The most significant pillars to the said strategy are to establish, operate, and create qualified keystaff, who are capable of performing their duties efficiently and effectively in a manner that supports the strong and influential contribution to the growth of the portfolio and maximizing the bank's profitability so that it becomes one of the largest Egyptian banks that provide banking services and credit facilities to companies and institutions as well as joint loans during the next five years through the following parameters:

- Focusing on building and managing diversified, balanced and of high quality credit portfolios.
- Penetrating the market of joint loans on solid grounds.
- Improving profitability by maximizing revenue, controlling costs and managing risks.
- Strengthening relationships with companies in the portfolio by implementing the spirit and concept of Relationship Management.
- Emphasizing the availability of qualified and professional human keystaff and ensuring proper management of clients accounts.
- Expanding the sector's customer base and increasing the portfolio.
- Providing high-quality banking services to the sector's clients (internally and externally).







Non-Financial Data:

The administration has adopted policies that would restructure the assets and liabilities elements, in the manner that guarantees the best revenues according to economic variables that occur permanently, through taking proactive measures against the changes that might take place, and to adapt such variables and deal with them in a way that realizes benefit therefrom, in case such variables fall in the bank's interest, or otherwise to hedge against them.

The Most Important Achievements in the Light of the Changes that occurred during 2019 are:

Study of the assets structure elements and giving recommendations to ensure realization of the best revenues, which resulted in altering the employment policy from short-term to medium and long-term, so as to guarantee retention of the highest revenues for the longest possible period via the following:

- * Increasing employment in medium and long-term loans with fixed interest.
- * Increasing the volume of investment in medium-term bonds.
- * Increasing the volume of investment in treasury bills for a year.

Study of the liabilities structure elements and giving recommendations that contribute to reducing the rise in the cost of money, and reducing the interests paid to the customers, through the following:

- * Increasing attraction of customers' deposits, of short –term deposits, or without maturity term.
- * Decreasing the volume of customers' deposits, of medium-term, with high returns. This contributed to achieving the highest possible profitability in light of the low interest rate during 2019.
- * Re-pricing of Savings Vessels to contribute to achieving the Target Estimated Budget during 2019, taking into account the factors affecting pricing (market tendencies, bank's budget, expected uses, maturity term of the asset, asset and liability management strategy).
- * Managing the risks, which the bank faces in the course of managing assets and liabilities, through: Taking the necessary measures to restructure investment in financial instruments of the bank's resources in case of decline in the bank's liquidity ratio, and before it reaches the liquidity ratio specified by the Central Bank.
- * Developing a Mechanism and Methodology for Managing Liquidity and Return Rate Risks, by using reports Liquidity Coverage Ratio (LCR), Net Stable Funding Ratio (NSFR), and maturity report through balancing between its assets and liabilities over the next 20 years and identifying the values at Risk (VaR).

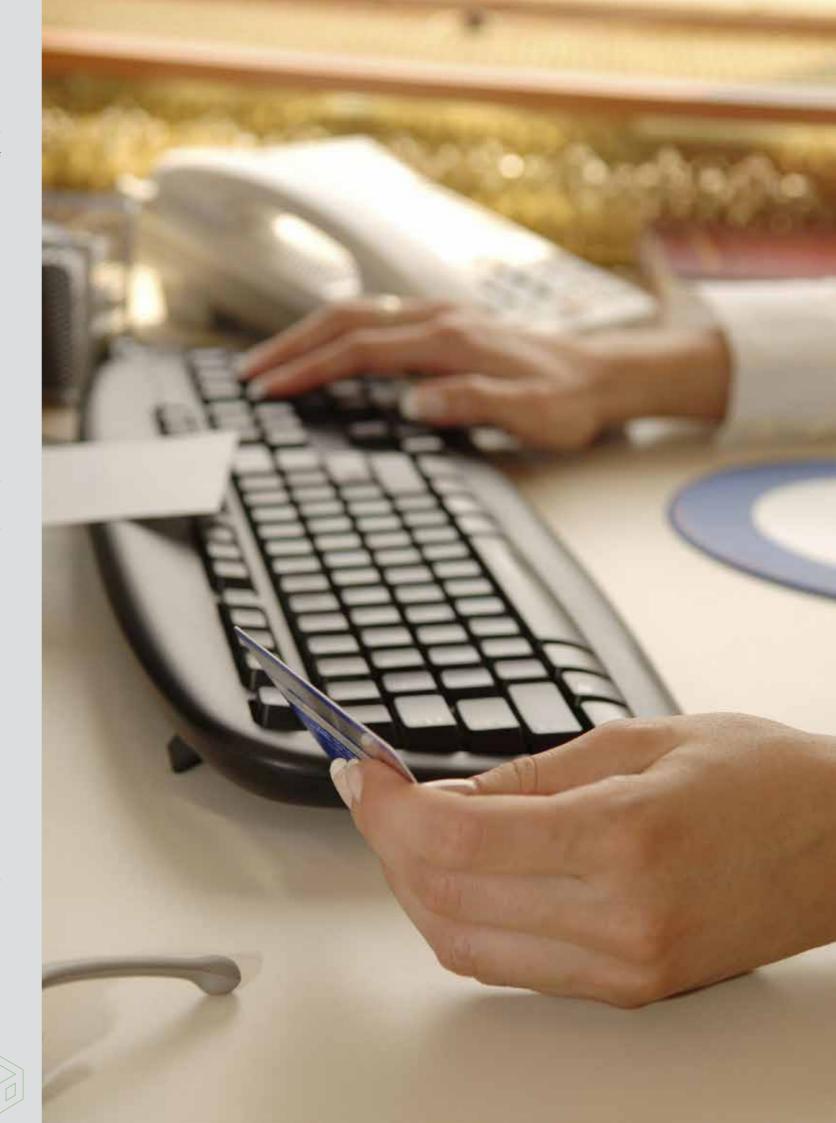






Non-Financial Data:

- 20 devices were supplied; thus the total number of devices becomes 109 for the branches of our bank, and the central clearing branches pertinent to a unit of cryptographic investigation code reader to electronically secure cheque data. Moreover, workers of this unit were also trained to use the new devices.
- A website was launched for the reservation of the national projects, with the purpose of activating the electronic collection system for the reservation advance payments via SWIFT system and the ACH.
- Governmental receipts system for key clients was activated by using an encrypted system for approving transactions, across the 24 hours of the day, seven working days per week, through the governmental payments system (CPS).
- Development of tools used in SWIFT system operations through conversion from TURBO SWIFT system to the advanced TURBO SWIFT ALLIANCE system.
- The computer programs and devices of the communication lines that connect our bank with the electronic clearinghouse were developed, which helped speed and ease of sending and reception processes as well as the speedy impact on customer accounts.
- Cooperation with the Egyptian Banks Company was implemented to launch distinguished cards.
- Contract has been made with MasterCard to subscribe to (3D Secure) system to secure customers' use over the Internet.
- The electronic collection service for residential units installments via mobile phones has been completed.
- The (cash in cash out) service was made available on ATM machines via mobile phone.
- A project has been completed to connect all the components of the SWIFT system on all servers through (QRADAR system).
- The new communication devices (SRX VPN BOXES) were received from SWIFT Organization in Belgium.
- All new security controls for 2019 required by Swift Organization were implemented.







During 2019, our bank adopted a new policy **to benefit from its investments in subsidiary** and sister companies, since the activity of these companies is complementary to the activity of our bank, and helps broaden its base of expansion.

The bank has followed up its investments in subsidiary and sister companies, which are (17) subsidiary and sister companies and (15) companies available for sale. The total value of the investment portfolio in subsidiary and sister companies by the end of 2019 amounted to EGP 1.7 billion, and the portfolio includes major real estate companies such as City Edge Development / Hyde Park Developments Company / Housing and Development Co. for Real Estate Investment) The portfolio of investments in subsidiary and sister companies has made dividends to the bank, which amounted to EGP 122 million, as compared to EGP 74 million in 2018.



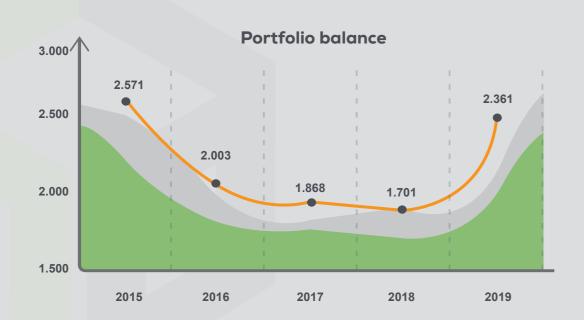


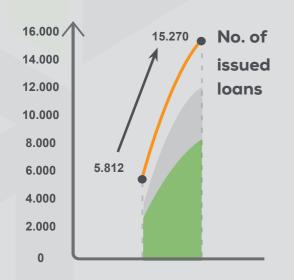


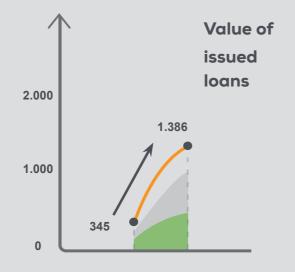
Financial Data

First: Retail Bank Loans:

- Growth of the balance of the personal loans portfolio to reach EGP 2.5 billion in 2019 compared to EGP 1.8 billion in 2018 with a growth rate of 36%, as 110% of the required portfolio balance target was achieved.
- Growth of the value of issued loans to reach EGP 1.386 billion in 2019 compared to EGP 345 million during 2018, with a growth rate of 300%, as 132% of the required target was achieved.
- Growth of the number of issued loans to reach 15.270 loans for 2019 compared to 5.812 loans in 2018 with a growth rate of 163%







Second: Savings Vessels:

The portfolio of deposits products witnessed a remarkable growth, since the portfolio balance reached EGP 41.3 billion in 2019, compared to EGP 34.1 billion in 2018, with a growth rate equals 21%, and achieving 101% of the target.



Third: Floussy Phone

127 thousand portfolios were issued during 2019, so the number of currently outstanding portfolios becomes 143 thousand portfolios.



Fourth: Credit Cards:

The monthly sales of credit cards increased, as the number of credit cards issued in December 2019 (863) credit cards, compared to the brother of 25 credit cards, which is issued during December 2018, noting that 3865 credit cards were issued during 2019, compared to 300 credit cards issued during 2018.



Fifth: Car Loans:

The bank has enjoyed a remarkable presence of the car loan product in the car financing market, as 100 car loans of value EGP 17.2 million were made during December 2019, as 388 loans with a total issued amount EGP 62.6 million were made during 4 months only.



Sixth: Collecting the Products of Retail Banking Loans:

Decline of the delinquencies rate of 30 days or more during 4 months only according to the following:

- * Decline of the delinquencies of the retail banking loan products portfolio to become 3.2% instead of 6%.
- * Decline of the delinquencies rate of the mortgage finance portfolio within the initiative of the Central Bank of Egypt, to become 8.3% instead of 15.5 %.
- * Decline of the delinquencies rate of the entire portfolio to become 6.7% instead of 12.8%.



Non-Financial Data:

- A detailed credit policy for retail banking, emanating from the general credit policy of the bank, has been prepared and adopted
- -Centralized retail banking was established and launched by introducing the following administrations:
- * Retail Banking Credit Administration
- * Retail Banking Loan Operations Administration.
- * Collection of Retail Banking Loan Products Administration.
- -An administration specialized in Car loans was established and launched, and a sales team was formed to be permanently present in major car companies, agents and distributors.
- An administration specialized in direct sale of credit cards and a telemarketing administration (X-Sell) for the bank's customers, were established and launched.
- An automated program for the circulation of documents of retail banking loan products that were centralized (Work Flow Sys. Homemade) was prepared, where the program was downloaded on the devices of the colleagues competent with using the program in the branches. Training courses were offered, to facilitate circulation and transfer of the customers' files from the branches to the central administrations; to reduce the time taken to issue credit approvals, and to give precision to the process of credit approvals.
- Reports and Categorizing Customers: (MIS & Segmentation)
- Success in extracting detailed reports on a daily basis from (T24) system.
- Division and distribution of the Retail Banking Sector Targets to the bank's branches.
- Preparing detailed and comprehensive reports that are sent on a daily basis to all bank branches, areas, regions, and the top-level management.
- An incentives system was prepared relevant to the achievement of the targets of loans and deposits.
- Retail Banking Loan Products were restructured, and proposals were made to limit the erosion of the retail banking loan product portfolio, and to increase the profitability of the products by increasing administrative and expedited payment expenses.

- Adoption and issuance of the Executive Business Procedures Manuals for retail banking loan products. New deposit products have been developed:
- Tiered Saving Product.
- Salary Transfer Saving Product.
- Tawfeer Business Product.
- Developing 5y & 7y CDs.
- Developing a personal deposit product entitled (Hassalati)

Salary transfer contracts

- (101) Contracts with a governmental body were renewed, with a percentage of 98% of the total number of contracts that expired during 2019.
- (30) New entities were recruited to contract with the bank with respect to the salary transfer service.
- A contract was signed with the Educational Professions Fellowship Fund to transfer end-of-service bonuses to the fund's members, with a total number of 40,000 members annually.
- Issuing Mezza Card and the electronic government financial dues collection system.
- (36) ATM machines have been installed in governmental authorities and bodies, and malls). In addition, (26) ATM machines have been updated.
- (245) Financial Inclusion Fairs were held nationwide, and they resulted in the following:
- 1- Opening 7355 accounts.
- 2- Issuing 29,587 flossy phone wallets.
- 3- Issuing 9,520 (Debit / Mezza / Credit Cards issued).
- 4-The value of deposits in financial inclusion accounts amounted to about EGP 178.6 million.





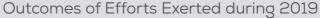
At the status quo, the small and medium enterprises are concerned by the planners of economic and social policy all over the developed and developing worlds equally, based on the vital role of those enterprises in achieving the sustainable development goals.

There is a global trend towards supporting and backing the small and medium enterprises, due to the increasing importance of those enterprises, as they are the pillar by which new job opportunities are created, the unemployment percentage is reduced and the gross domestic product is increased.

In the light of the importance of banking sector's role in supporting the national economy and developing and revitalizing different companies and establishments, particularly the small and medium ones, the Central Bank of Egypt, in January 2016, launched an initiative to finance the small and medium enterprises commissioned to implement the bank's strategy in the field of loans and credit facilities granted to the clients of that segment.







\$ (\$)

A strategy is developed to achieve the targeted growth and to attract new clients to

- 1- Increase the portfolio balance of the small and medium enterprises from 012019/01/ to 312019/12/, according to the following:
- * Direct Financing: about 1.4 billion pounds
- * Indirect Financing: about 100 million pounds
- 2- Carrying out the Central Bank's instructions:

The growth realized during 2019 reached about 1.5 billion pounds, i.e. a percentage of 19.8%, thereby contributing to achieving the percentage fixed by the Central Bank, and amounting to 20% of the bank's total credit portfolio at the end of 2019.

3- Achieving what is targeted and approved by the board of directors for the year 2019:

The annual target for 2019 that is approved by the board of directors is as follows

- * Growth in the direct balances with an amount of 735 million pounds, which was achieved with a percentage of 200%
- * Growth in the indirect balances with an amount of 115 million pounds, which was achieved with a percentage of 100%
- 4- Updating the business processes, thereby contributing to the rapid delivery of service to clients, and to the rapid development of the direct financing portfolio provided to the small enterprises by launching the standard project at the end of 2019, and the targeted of which product is to develop the portfolio balance of SMEs.

This expresses a good start of the product that is reflected in the attraction of 52 new clients to our bank.

- 5- Concluding many contracts with the Enterprises Development Agency.
- 6-Completion of auditing with the supervisory authorities (Central Bank's Inspection Group Accountability State Authority's Inspection Group Mustafa Shawki (Mazars) commissioned by the Central Bank of Egypt) with results considered in total as positive.
- 7- Supervising over the training and preparation of 25 employees of the promising cadres, in cooperation with the Banking Institute to obtain the credit and risk certificate that is given to bankers working in the sector of small and medium enterprises, and supporting the sector by preparing a training workshop, in support of some aspects, including financial analysis and identifying the credit policy.



Field of Investment and Feasibility Study

- * The feasibility study department has prepared 31 feasibility studies to establish new branches for the bank with an estimated investment cost reached about 810 million pounds.
- * It has prepared three economic feasibility study for a third party with total estimated investment cost reached 900 million pounds in consideration of fees collected by the bank and amounted to 75 thousand pounds.
- * It has also carried out an evaluation of feasibility studies for the purpose of granting loans and credit facilities, the number of such studies is 24 with an investment cost reached about 3.5 billion Egyptian pounds.
- * The feasibility study department has also prepared six feasibility studies with an investment cost amounting to about 11.4 billion pounds for the bank's projects, in addition to eight marketing studies for the bank and a third party's projects.



Field of Investment Trustees

The department of investment trustees has marketed housing, commercial and administrative units (garages and warehouses) at the bank's different projects across the Republic by applying direct sale and public auction, as nine public auction sessions with a total selling value of 24.9 million Egyptian pounds and direct sale with a total selling value of 5.6 million Egyptian pounds, were held equal to a total of EGP 30.4. It has also marketed lands and housing units for the sake of the New Urban Communities Authority and third parties through the public lottery, electronic reservation, public auction and direct sale, achieving revenues of 126 million Egyptian pounds.



Real Estate Marketing

In 2019, the total sales of the bank and its companies reached a total selling value 971 million pounds, realizing revenues that amount to 579 million, compared to a total selling value 995 million pound, realizing revenues that amount to 548 million pounds, with a growth rate in sale revenues 5%.



National Housing Project

Total number of units available to be financed by our bank in 2019 reached 41660 units compared to 41645 in 2018. Also, the total amounts financed from the subsidy until 2019 reached 406.7 million pounds, and the financed from down payments reached 181.3 million pounds. The amount of bank financing for the units of those projects until 2019 also reached 1.03 billion Egyptian pounds



Electronic Reservation

- * The electronic reservation website of our bank has held a high rank, as it is faster with 5% than the world websites where it is globally ranked number 14921.
- * Daily number of visitors to the website reached 4574.
- * Annual number of visitors to the website reached 167.619
- * Projects of lands that were offered through the website reached 4982, and the total reservation percentage to the total number of lands offered is 34%.
- * The number of housing units offered during 2019 through the website reached 28433, and the reservation percentage to the total number of units offered is 48%.
- * A permanent communication channel has been opened with clients who desire to inquire through the electronic reservation website using the website official email.





Developing the determined information systems (Core Banking System), which include:

- * Identifying the operation problems of T24 and working on solving them and avoid their repetitions.
- * Supporting Messrs. auditors and Central Bank with all methods and reports required to approve the financial positions.
- * Carrying out the reservation of lands and units via internet and conducting the required test completing the work course of all offers using different methods (allocation lottery electronic allocation).
- * Land reservation (social special more special Sakan Misr Janna) on T24 system.

Preparing, designing and developing the system programs that are related to all fields of bank's activity by using computers and technological advance means related thereto, and conducting tests required for operation; they include:

- * Maximizing benefits from housing and real estate marketing schemes.
- * Staring the internet banking project (phase one).

Administrative supervision to organize work on all computers inside the bank (branches / regions / sectors), which include:

- * Technical support for regions, central sectors and branches in all computers' uses.
- * Supplying branches with network lines, ATMs and modern PCs that support the use of Windows to be compatible with the modern bank system requirements.

Following up the operation of applications at branches and the network linking between branches and ATMs and the maintenance thereof, and developing the network of data, which include:

- * Mentoring the network of data (lines and devices).
- * Participating in the inspection of the new sites of ATMs, and coordinating with the engineering and marketing sectors concerning the installation plan of ATMs.
- * Supervising and mentoring all ATMs 24 hours a day.
- * Installing and operating 80 ATMs at the new and existing branches and external entities.
- * Implementing the first and second phases of ATM Switch (H.W / S.W) project and preparing the third and last phases.

Implementing and following up the plans and policies of protection, secrecy and control systems of technology and information systems, which include:

- * Periodical update for firewalls and anti-hacking devices.
- * Competing the systems of renaming users' names, where the user's name expresses the employee's name at the level of all bank's branches and sectors, and the already-existing users are to be amended in stages until the job is done for all users at the bank.
- * Following up the application of internet usage policies.
- * Completing the application of recommendations given through the governance and risk policies.
- * Updating the communication lines at the primary data center.







Our Employees

During 2019, documentation and preparation of the organizational structure of the bank, central sectors and branches, and description of all jobs according to the directives of the bank's top management and its board of directors, are made, the matter that results in the existence of integrated system, where:

- * What is necessary was made concerning the selection of the best element among candidates applying for work at the bank, and subjecting them to tests at the banking institute, then presenting who passes such tests in front of the committee in charge of selection and employment at the bank.
- * The system of evaluating employees' performance was changed by introducing a new system that depends on the key competencies to deal with personnel, self-management and moving towards vision and planning, then making decisions, together with identifying the goals of all employees that will be distributed to sectors and branches at the beginning of the year, to be received, then met by branch managers and sector heads, and entering them on computers on a rolling basis, in preparation for being presented on personnel affairs committee, so as to guarantee the ideal performance of all employees at the bank.
- * The bank's current project for preparing a new salary structure was completed; this structure achieves fairness as much as possible for occupants of different jobs under the supervision of a specialized consultant who was engaged.
- * Completing and updating work guidelines at the bank are being carried out according to the latest developments, so as to be approved to be recent and approved practical references for all sectors.
- * Updating the technological architecture of the human capital sector through modern programs that help in doing analyses related to jobs and their importance and evaluation for selecting the promising elements among employees working at the bank to become leaders of our bank's branches and sectors. The total number of employees working at the bank reached 2632 at the end of 2019.







Social Responsibility

The year 2019 witnessed many changes in the field of social responsibility and sustainability of the Housing and Development Bank in terms of the quantity and quality of participation. In terms of quantity, the balance allocated for the social responsibility and sustainability in 2019 reached about 44.5 million Egyptian pounds, due to our strong belief that our bank's success is strongly connected with our duty and responsibility towards the society. In terms of quality, the financial contribution is not the only criterion, but it extends to include the contribution of employees or management either by volunteering in the medical convoys, blood donation or even in-kind things. *The Housing and Development Bank did not honor the top students from high school only, but it also honored the one who achieved the highest grades in the high secondary school among the sons of employees and whom were awarded one of the top ten positions at the level of the Republic. *The bank held training courses in first aids for employees in cooperation with the Egyptian Red Crescent. *The bank also, for the first time, held a competition in cooperation with INJAZ Egypt for the students of first preparatory, so as to find methods of solving social problems and training students to find solutions that are alternative and far beyond the unusual. *The idea of initiatives was also developed to include the business incubator of NilePreneurs in the field of engineering with regards to the building and construction materials in cooperation with the Central Bank of Egypt and Nile University. *The bank has determined the priorities of its contributions by applying its strategy for social responsibility in 2019 through focusing on education / preservation of heritage / health / sports.

Health I community Awareness
Social Responsibility
Voluntary Cultural

Education

*The bank deems that education the first step towards achieving the comprehensive social advancement and creating a generation that is aware and able to advance the future; accordingly, the bank contributed to many scholarships: such as, the annual scholarship of Nile University in the field of engineering and ten annual scholarships for blind students in Alexandria and Mansoura Universities in cooperation with AmidEast. *The bank also funded the Nile University for the fourth successive time, so as to establish the mechanical engineering division at the University with an amount that is close to 4 million Egyptian pounds. *On the other side, concerning the remote governorates, the bank, in cooperation with the Ministry of Education and Sinai Governorate, raised the capacity of, and renovated and supplied, five schools within the governorate with an amount that is close to 1.3 million Egyptian pounds. *The bank also adopted other educational initiatives for community schools, so as to eradicate illiteracy in Fayoum Governorate with an amount of 673 thousand Egyptian pounds. *Collaborating with Sawiris Foundation and Coptic Evangelical Organization in the initiative of blended education, with a view of involving children of special needs in the educational process and assisting schools' management in dealing with them and responding to their needs. *Encouraging children to make savings by creating a bundle of saving scheme addressed to children and youths and drawing a raffle for valuable prizes two times a year, so as to encourage and stimulate them. *The bank also opens annual passbook savings account as a prize for ten orphan children with an amount of one thousand Egyptian pounds, who are chosen from a care house sponsored by the bank, in addition to its annual participation in the Global Money Week (GMW) Campaign to raise awareness among children and youths of the importance of being aware of savings and how to deal with banks. *The bank is used to participate annually in supporting the Central Bank of Egyp

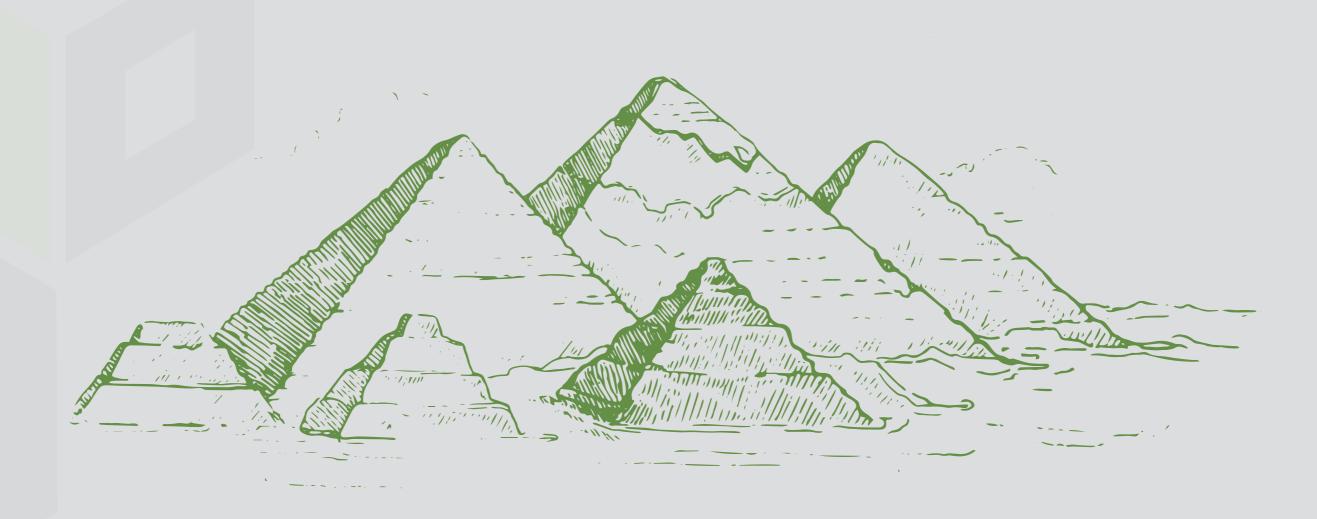




Preservation of Heritage

The bank participated in preserving heritage in many initiatives, including:

- * Khedive's Cairo Development Initiative with an amount of 2 million Egyptian pounds in cooperation with Cairo Governorate.
- * Ramadan's week for arts in Baehler Passageway where arts of Tahtib, Tanoura and folklore stories.
- * The International Qur'an Recital Competition held in Port Said Governorate under the sponsorship of the Governor.
- * Cooperating with Misr El-Kheir Foundation in Heritage Documentation Initiative with an amount of 1.5 million Egyptian pounds, so as to print a documentary book about customs and traditions of Halayeb and Shalateen.
- * The bank supported the Summer Festival of Alexandria Bibliotheca that is organized every year during the summer season for the third successive year, and that includes numerous of singing shows and cultural plays from all over the world.





Health

- * The bank was committed to financing Magdi Yacoub Foundation with an amount of 3 million Egyptian pounds annually over three consecutive years to build a new hospital in 6 October City.
- * The bank also supported Orman Association in Shefa Hospital for Cancer in Upper Egypt with an amount of 5 million pounds to construct the new suite at the hospital.
- * In addition to the continuous support for Ahl Masr Foundation in building the first hospital for treatment of burns in Egypt for the third successive year with an amount of 3.9 million Egyptian pounds annually.
- * Also, the bank is keen on financing the mobile medical clinics annually for the third successive year, as contribution was made in participation with Ibrahim Badran Foundation





Sports

The bank's contributions are also numerous, as they include all social activities. The sports side occupied a part of the social responsibility and sustainability strategy of the bank, believing in the positive effect reflected by sports; thus, the bank was keen on sponsoring the various sports activities and competitions:

- * Pyramids Marathon took place in February 2019 as the first marathon at the foot of the pyramid.
- * Football tournament held in El-Gouna for school students.
- * International Shooting Championship at the Shooting Club in Alexandria.
- * Billiards World Cup held in 20182019- at Mina House Hotel in Cairo and Hurghada.
- * The bank sponsored Africa Cup of Nations held in Egypt in 2019, in addition to the Africa U-23 Cup of Nations.
- * Rowad Swimming Championship at Sporting Club in Alexandria.
- * Sponsoring Ramadan Football Tournament between the bank's administrations and branches under the sponsorship of the Central Bank of Egypt, which was organized by Donia El-Felos Magazine for two consecutive tournaments.







Finally, I am glad to take advantage of this occasion to express my deep gratitude and appreciation to Dr. Eng. Minister of Housing, Utilities and Urban Communities and Governor of Central Bank of Egypt for their close support and cooperation with our bank, and continuous thanks to my colleagues, the members of board of directors for their effective and perfect contribution to formulating the bank's policy and setting executive plans and supervising over their application. I cannot also disregard my thanks to Messrs. Bank's Auditors and members of Accountability State Authority for their permanent support and assistance given to the bank. I would like also to confirm on the Board's full keen on the interests of shareholders, depositors and whoever dealing with the bank, hoping for continuous success in serving their needs and meet their ambitions, and to confirm that the bank will be continuously bear its social responsibility to support the various activities and the aiming qualitative initiatives.

May Allah Grant Us Success in Serving our Leading Institution and Beloved Nation

Peace and Allah's Mercy and Blessings be upon you

Hassan Ismail Ghanem
Managing Director and Chairman of Board of Directors





INDEPENDENT AUDITORS> REPORT

To The Shareholders of Housing and Development Bank - Egypt (S.A.E)

Report on the Separate Financial Statements

We have audited the accompanying separate financial statements of Housing and Development Bank -Egypt (S.A.E), represented in the separate balance sheet as at 31 December 2019, and the related separate statements of income, changes in shareholders equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

These separate financial statements are the responsibility of Bank's management. Management is responsible for the preparation and fair presentation of these financial statements in accordance with the instructions of preparation and presentation of financial statements for Egyptian banks issued by Central Bank of Egypt on 16 December 2008 as amended by the regulations issued on 26 February 2019 and in light of the prevailing Egyptian laws and regulations. Management's responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error. Management's responsibility also includes selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances

Auditors> Responsibility

Our responsibility is to express an opinion on these separate financial statements based on our audit. We conducted our audit in accordance with Egyptian Standards on Auditing and in light of the prevailing Egyptian laws. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that the financial statement are free from material misstatements. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the separate financial statements or error. In making those risk assessments, the auditor considers internal control relevant to the bank's preparation and fair presentation of the separate financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the bank's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the separate financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the separate financial statements

Opinion

In our opinion, the separate financial statements referred to above, present fairly, in all material respects, of the separate financial position of Housing and Development Bank - Egypt (SA.E) as of 31 December 2019 and of its separate financial performance and its separate cash flows for the year then ended in accordance with the rules of the preparation and presentation of the banks financial statements, bases of recognition and measurement issued by the Central Bank of Egypt on 16 December 2008 as amended by the regulations issued on 26 February 2019 and in light of the Egyptian laws and regulations related to the preparation of the separate financial statements

Report on Other Legal and Regulatory Requirements

Nothing has come to our attention that causes us to believe that material violations were occurred regarding the provisions of the Central Bank of Egypt, Banking and Monetary System Law No. 88 of 2003 for the year ended 31 December 2019. The Bank maintains proper accounting records that comply with the laws and the Bank's Articles of Association and the financial statements agree with the Bank's records. The financial information included in the Board of directors report prepared in accordance with the provisions of law No. 159 of 1 981 and its executive regulations are in agreement with the Bank's accounting records within the limit that such information is recorded therein.



Separate Financial Position As of 31 December 2019

	Note No.	31/12/2019 EGP	31/12/2018 EGP
Assets			
Cash and balances with central bank of Egypt	16	4,275,995,906	2,486,135,211
Due from banks	17	830,868,3591	8,749,502,983
Loans and facilities to customers	18	17,460,497,860	13,609,254,404
Financial Assets			
Financial assets at fair value through profit and loss	19	388,389,267	365,634,777
Financial assets at fair value through other comprehensive income	20	1,920,670,146	1,326,062,510
Financial assets at amortized costs	20	14,344,411,635	12,456,800,254
Financial assets and affiliates and associates	21	1,663,314,124	1,663,314,124
Housing projects	22	932,604,511	837,209,048
Investment properties	23	106,478,203	79,324,028
Intangible assets	24	113,889,570	120,831,827
Other assets	25	1,002,284,210	884,067,196
Fixed assets	26	942,823,896	696,266,067
Total assets		51,460,042,919	43,274,402,429
Liabilities and Equity			
Liabilities			
Due to banks	27	951,328,024	456,920,252
Customers' deposits	28	41,285,470,475	34,122,070,120
Other loans	29	649,167,997	701,755,614
Dividends payable		6,841,548	612,994
Other liabilities	30	2,096,337,833	2,335,628,972
Provisions	31	358,076,228	605,072,029
Current income tax liabilities			123,341,368
Deferred tax liabilities	32	15,662,266	17,653,453
Retirement benefit obligations	33	39,676,455	36,433,851
Total liabilities		45,402,560,826	38,399,488,653
Equity			
Paid-up capital	34	1,265,000,000	1,265,000,000
Amounts reserved for capital increase		379,500,000	
Reserves	35	2,340,796,377	1,799,662,556
Retained earnings (included net profit of the year)	35	1,993,303,629	1,811,892,324
Other comprehensive income		78,882,087	(1,641,104)
Total Shareholders' Equity		6,057,482,093	4,874,913,776
Total Liabilities and Shareholders' Equity		51,460,042,919	43,274,402,429

⁻ The accompanying notes, from (I) to (41) form an integral part of the separate financial statements and to be read therewith.

⁻ Auditors' Report (attached).



رنيس مجلس الإدارة والعضو المنتدب

نيس قطاع الشنون المالية ر جمال محمود سليمان

" نقرير مراقبو الحسابات (مرفق)

سامح سعد محمد عبد المجيد

. شريف اكالتي و المتضامنون المدسو والدراب محاسبون قانونيون ومستشارون طارق حلا B T وحيد عبد نقال وشركاة محاسبون قانونيون و الون

Income Statement For the Year Ended 31 December 2019

	Note No.	From 01/01/2019 to 31/12/2019 EGP	From 01/01/2018 to 31/12/2018 EGP
Interest from loans and similar income	6	6,605,813,892	6,112,716,300
Interest on deposits and similar expense	6	(3,663,769,814)	(2,960,641,953)
Net interest income		2,942,044,078	3,152,074,347
Fees and commissions revenue	7	363,494,203	332,967,616
Fees and commissions expense	7	(34,808,478)	(28,880,648)
Net fees and commission income		328,685,725	304,086,968
Dividends income	8	127,803,783	82,501,918
Net income from financial assets at fair value through profit and loss	9	60,240,736	57,694,997
Housing projects profits	10	402,468,721	444,792,715
Credit impairment losses	13	(415,157,337)	(196,995,099)
Administrative expenses	11	(1,648,141,055)	(1,419,176,369)
Other provision	31	599,947,800	(306,637,498)
Other operating revenues	12	149,753,379	78,383,617
Net profit before income tax		2,547,645,830	2,196,725,596
Income tax expense	14	(596,556,487)	(570,246,132)
Net profit for the year		1,951,089,343	1,626,476,464
Earnings per share	15	13,77	11,46



Separate Statement of Comprehensive Income For the Year Ended 31 December 2019

	Note No.	From 01/01/2019 to 31/12/2019 EGP	From 01/01/2018 to 31/12/2018 EGP
Net profit for the year		1,956,089,343	1,626,476,464
Change in fair value of equity instruments at fair value through other comprehensive income	20	80,523,191	(1,641,104)
Total comprehensive Income		2,031,612,534	1,624,835,360



Separate Statement of Cash Flow For the Year Ended 31 December 2019

For the Year Ended 31 December 2019	Note No. From 01/01/2019 to 31/12/2019 From 01/01/2018		
	Note No.	EGP	EGP
Cash flows from operating activities			
Profit before tax		2,547,645,830	2,196,725,596
Adjustments:			
Depreciation and amortization	26, 24, 23	239,221,146	208,450,821
Credit impairment losses	13	415,157,337	196,995,099
Impairment losses from other assets and housing projects	12	14,270,201	(5,148,949)
Other provisions losses	31	13,977,618	306,637,498
Revaluation difference of financial assets at fair value through profit and loss	9	(42,355,421)	(43,205,915)
Amortization of discount – financial investment at amortized cost	21	(10,719,502)	
Dividends	8	(127,803,783)	(10,148,636)
Utilization of other provision	31	(5,704,228)	(82,501,918)
Provisions no longer required	31	(613,925,418)	(31,567,976)
Gains from selling fixed assets	12	(3,336,849)	
Operating income before changes in assets and liabilities used in operating activities		2,426,426,930	2,733,723,782
Net decrease (increase) in assets			
Due from banks		(6,342,495,954)	1,027,548,480
Financial assets other than at fair value through profit and loss		(1,424,071,992)	734,615,188
Financial assets at fair value through profit and loss		20,021,794	525,176,014
Loans and facilities to customers		(3,981,019,726)	(2,367,073,478)
Housing projects and investments properties		(144,444,673)	112,984,270
Other assets		520,097,128	278,249,814
Net (decrease) increase in liabilities			
Due to banks		494,407,772	246,337,905
Customers' deposits		7,163,400,356	(6,762,904,210)
Other liabilities		(838,677,485)	(1,007,225,649)
Retirement benefit obligations		3,242,604	2,640,504
Income tax paid		(721,889,042)	(532,934,433)
Net cash flows (used in) operating activities		(2,825,002,287)	(5,008,861,813)
Cash flows from investing activities			
Payments for purchase of fixed assets		(390,534,995)	(299,404,581)
Proceeds from selling fixed assets		3,967,089	2,511,886
Payments for purchase of financial assets other than at fair value through profit and loss		(1,589,000,344)	(2,120,503,299)
Proceeds from sale of financial assets other than at fair value through profit and loss		500,219,921	435,020,000
Payments to acquire investments in associates			(206,704,750)
Payments for purchase of intangible assets		(77,010,050)	(121,926,807)
Dividends income		126,828,784	81986100
Net cash flows used in investing activities		(1425,529,595)	(2,229,021,451)
Cash flows from financing activities			
Long-term loans		60,605,359	1,061,664,430
Dividends paid		(803,503,348)	(122,093,403)
Net cash flows from financing activities		(742,897,989)	939,571,027
Net decrease in cash and cash equivalents during the year		(4,993,429,872)	(6,298,312,237)
Cash and cash equivalent at the beginning of the year		8,149,710,598	14,448,022,835
Cash and cash equivalent at the beginning of the year		3,156,280,726	8,149,710,598
Cash and cash equivalents are represented in:		0,100,200,420	0,110,710,000
Cash and balances with Central Bank of Egypt		4,275,995,905	2,486,135,211
Due from banks		8,308,683,591	8,749,502,984
Financial assets other than at fair value through profit and loss		15,591,054,174	14,166,957,399
Balances with CBE within the limit of Obligatory reserve percentage		(3,559,410,612)	(1,643,612,237)
Deposits at Banks with maturing more than three months		(5,869,012,940)	(1,442,315,360)
Financial assets other than at fair value through profit and loss with maturity more than three months		(3,869,012,940)	(14,166,957,399)
Cash and cash equivalents at the end of the year	37	3,156,280,726	8,149,710,598



Separate Changes in Shareholders' Equity Statement For the Year Ended 31 December 2019

Particulars	Capital EGP	Amounts Reserved for Capital Increase EGP	Legal Reserves EGP	General Reserve EGP	Special Reserve EGP	Other Reserve EGP	Reserve of Bank Risk EGP	IFRS 9 Reserve EGP	General Risk Reserve EGP	Retained Earnings EGP	Other Comprehensive Income EGP	Total EGP
Balance as of 1 January 2018	1,265,000,000	-	436,329,094	732,000,000	14,447,953	14,546,205	161,211	-	-	1,100,040,901	-	3,562,525,364
Dividends paid for the year 2017	-	-	-	-	-	-	-	-	-	(312,250,000)	-	(312,250,000)
Transferred to reserves	-	-	53,776,633	400,000,000	-	1,307,563	53,737	147,237,108	-	(602,375,041)	-	-
Excluding the effect of selling assets reverted to the bank for settling debts	-	-	-	-	-	-	(196,948)	-	-	-	-	(196,948)
Change in the fair value of equity instruments at the fair value through the comprehensive income	-	-	-	-	-	-	-	-	-	-	(1,641,104)	(1,641,104)
Net profit for the year ended 2018	-	-	-	-	-	-	-	-	-	1,626,476,464	-	1,626,476,464
Balances as at 31 December 2018	1,265,000,000	-	490,105,727	1,132,000,000	14,447,953	15,853,768	18,000	147,237,108	-	1,811,892,324	-	4,874,913,776
Balance as of 1 January 2019 Transferred to general bank	1,265,000,000	-	490,105,727	1,132,000,000	14,447,953 (5,102,987)	15,853,768	18,000	147,237,108 (147,237,108)	152340095	1,811,892,324	(1,641,104)	4,874,913,776
reserve Effect of IFRS 9 implementation	-	-	-	-	-	-	-	-	(63124285)	-	-	(63,124,285)
Change in the fair value of equity instruments at the fair value through the other comprehensive income	-	-	-	-	-	-	-	-	-	-	80,523,191	80,523,191
Selling of equity instruments at their fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	23,811,970	-	23,811,970
Dividends for the year 2018	-	-	-	-	-	-	-	-	-	(809,731,902)	-	(809,731,902)
Transferred to reserves	-	-	81,241,768	900,000,000	-	2,511,838	4,500	-	-	(983,758,106)	-	-
Amounts reserved for capital increase	-	3,795,000,000	(126,500,000)	(253,000,000)	-	-	-	-	89215810	-	-	-
Net profit for the year 2019	-	-	-		-	-	-	-		1,951,089,343	-	1,951,089,343
Balance as at 31 December 2019	1,265,000,000	3,795,000,000	444,847,495	1,779,000,000	9,344,966	18,265,606	2,250	-		1.993,303,629	78,882,087	6,057,482,093



Separate Profit Appropriation Statement For the Year Ended 31 December 2019

Particulars	31/12/2019 EGP	31/12/2018 EGP
Net profit for the year (as per statement of income)	1,951,089,343	1,624,835,360
Deduct		
Gain on sale of fixed assets transferred to capital reserve as per the provisions of law	(3,336,849)	(2511,838)
General banking risk reserve	(4,500)	(4,500)
Net	1,947,747,994	1,622,319,022
Retained Earnings at the beginning of the year	16,761,212	185,415,860
Retained earnings during the year	25,453,074	
Net distributable profits	1,989,962,280	1,807,734,882
Distributed as follows:		
Legal reserve	97,554,467	81,241,768
General reserve	1,325,000,000	900,000,000
Shareholders' dividends (cash distribution EGP 2.5)	316,250,000	632500000
Employees shares of profit	194,774,799	162,231,902
Board of directors rewards	15,000,000	15,000,000
Retained Earnings	41,383,013	16,761,212
Total	1,989,962,280	1,807,734,882



Notes to the Separate Financial Statements For the Year Ended 31 December 2019

1- Background

Housing and Development bank provides Banking Services for Corporates as well as Investments and Retail Banking Services in the Arab republic of Egypt through 92 branches, and hires 2632 employees at the date of the financial position.

Housing and Development bank is an Egyptian Joint Stock company established as Investment and Business Bank on 30 June 1979 by virtue of Ministerial Decree No. 147 for the year 1979 and it handles its activity through the head office in Giza governorate and the bank is listed in the Egyptian Stock Market for Securities.

2- Summary of Accounting Policies

The most significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated:

A. Basis of Preparation

The financial statements are prepared in accordance with Central bank of Egypt instructions approved by its board of directors on 16 December 2008, with consideration to requirements of IFRS 9 (Financial instruments) in accordance with the instructions issued by Central Bank of Egypt on 28 January 2018, in addition to the historical cost basis, modified by the revaluation of financial assets and liabilities originally valued with fair value through profits and losses, and financial assets at fair value through other comprehensive income and all financial derivatives contracts.

These separate financial statements were prepared in accordance with relevant local laws, and investments in affiliates and associates are presented in bank's separate financial statements and valued according to cost less impairment loss method.

These separate financial statements have been prepared in accordance with the instructions of the Central Bank of Egypt (CBE) rules approved by its Board of Directors and effective until 31 December 2018; that have been changed under central bank of Egypt instructions issued on 26 February 2019, regarding the implementation of IFRS 9 – financial instruments.

Effect of Changes in Accounting Policies resulted from implementation of IFRS 9 - Financial Instruments

The Bank applied the IFRS 9 "Financial Instruments" as of the date of mandatory application on 1 January 2019. Requirements of IFRS 9 represents material change than required under Egyptian accounting standard no. 26 "financial instrument- recognition and measurement" especially when related to classification, measurement and disclosure of financial assets and some of financial liabilities. The following summarize the main accounting policies changes resulted from applying the required standards:

Classification of financial assets and liabilities

Financial assets have been classified through three main categories as follows:

Financial assets at amortized cost.

Financial assets at fair value through other comprehensive income.

Financial assets at fair value through profit and loss.

Based on IFRS 9, financial assets have been classified according to how they are managed (the entity's business model) and their contractual cash flow characteristics. Therefore, Egyptian accounting standard no. (26) is no longer applied (financial investments held to maturity, Loans and debts and financial investments available for sale).

The implicit derivative contracts shall not be separated when derivatives are associated with a

financial asset, and therefore the implicit derivative contract is fully classified according to the related financial asset.

The change in financial liabilities at fair value through profit or loss is presented as follows:

The change in the fair value related to the change in the degree of the credit rating is presented in the other comprehensive income statement.

The remaining amount of the change in fair value under (net income from financial investments at fair value through profit or loss) is presented in the profits and losses statement. Impairment of financial assets

IFRS 9 and Central Bank of (CBE) instructions replaced the impairment loss model recognized according to EAS 26 with expected credit loss (ECL) model, also, IFRS 9 & CBE instructions requires from the bank to implement the measurement of expected credit loss model (except for measured at fair value through profit and loss and equity instruments through other comprehensive income).

The bank excludes the following from the calculation of expected credit losses:

Deposits at banks with a maturity date of one month and less than the date of the financial position.

Current accounts at banks.

Balances at the Central Bank in local currency.

Debt instruments issued by the Egyptian Government in local currency.

Provision shall be identified based on the expected credit losses relating to probability of default over the next 12 months unless the credit risk has increased substantially since inception.

Segment Reporting

An operating segment is a group of assets and operations providing products or services whose risks and benefits are different from those associated with products or services provided by other operating segments. A geographical segment provides products or services within a specific economic environment characterized by risks and benefits different from those related to other geographical segments operating in a different economic environment.

Transitional provisions

The bank has not re-measured the recognized financial instruments in the comparative financial statements, but only reclassified the financial assets and liabilities in the comparative figures to conform with the presentation method of the financial statements, subject to applying the standard for the first time and is therefore not comparable.

The impairment provision of the financial assets recognized in the financial position is deducted from the financial asset value at the time of preparing the statement of financial position, while the impairment provision of the loan commitments, financial guarantee contracts and contingent liabilities is recognized under other provisions of financial position obligations.

A. Financial Assets and Liabilities

1- Re-classification of the financial assets and liabilities at the date of initial application of CBE's instructions regarding IFRS 9.

The following table shows the original measurement categories according to the preparation rules issued from the Central Bank of Egypt and the new measurement categories according to the Central Bank of Egypt "IFRS 9 – Financial Assets and Liabilities" as at 1 January 2019:

2- Settlement of book value of financial assets and liabilities at the date of initial application of the CBE's instructions regarding IFRS 9.

The following table shows the settlement of the book value of financial assets and liabilities according to the preparation rules issued from CBE instructions compared to the book value



The following table shows the matching between the book values according to CBE's instructions issued on 16 December 2008 and the book values according to IFRS 9 as at 1 January 2019:

	Initial classification according to effective CBE instructions	9 New classification according to IFRS	Book value according to CBE instruction 2018 December 31 effective on	at the 9 New book value according to IFRS initial application
Assets				
(Cash and due from Central Bank of Egypt (CBE	Amortized cost	Amortized cost	2,486,135,211	2,486,135,211
Due from banks	Amortized cost	Amortized cost	8,749,502,983	8,749,502,983
Treasury bills	Amortized cost	At fair value through other comprehensive income/ amortized cost	9,650,281,636	-
Financial assets held for trading	Financial assets held for trading	Financial investments at fair value through profit and loss	378,109,424	-
Investments available for sale	Financial assets held for trading	At fair value through comprehensive income	40,316,488	-
Fair value through profit or loss	Financial assets held for trading	Financial investments at fair value through profit and loss	-	365,634,777
Fair value through other comprehensive income	Amortized cost	Investments at fair value through comprehensive income	-	1,326,062,510
Held to maturity	Amortized cost	Amortized cost	4,079,789,993	-
Amortized cost	Amortized cost	Amortized cost	-	12,450,702,450
Loans and credit facilities to customers	Amortized cost	Amortized cost	13,609,254,404	13,892,695,316
Investments in affiliates and associates	Amortized cost	Amortized cost	1,663,314,124	1,663,314,124
Housing projects after deduction	Amortized cost	Amortized cost	837,209,048	837,209,048
Investment properties	Amortized cost	Amortized cost	79,324,028	79,324,028
Intangible assets	Amortized cost	Amortized cost	120,831,827	120,831,827
Other assets	Amortized cost	Amortized cost	884,067,196	884,067,196
Fixed assets	Amortized cost	Amortized cost	696,266,067	696,266,067
Total assets			43,274,402,429	43,551,496,465
Liabilities and Equity				
Liabilities				
Due to banks	Amortized cost	Amortized cost	456,920,252	456,920,252
Customers' deposits	Amortized cost	Amortized cost	34,122,070,120	34,122,070,120
Other loans	Amortized cost	Amortized cost	701,755,614	701,755,614
Dividends payable	Amortized cost	Amortized cost	612,994	612,994
Other liabilities	Amortized cost	Amortized cost	2,335,628,972	2,335,628,972
Other provisions	Amortized cost	Amortized cost	605,072,029	605,072,029
Current income tax obligations	Amortized cost	Amortized cost	123,341,368	123,341,368
Deferred tax	Amortized cost	Amortized cost	17,653,453	17,653,453
Retirement benefit obligations	Amortized cost	Amortized cost	36,433,851	36,433,851
Total Liabilities			38,399,488,653	38,739,706,974
Equity				
Paid-up capital			1,265,000,000	1,265,000,000
Reserves			1,799,662,556	1,736,538,271
(Retained earnings (included net profit of the year			1,810,251,220	1,810,251,220
Total Shareholders' Equity			4,874,913,776	4,811,789,491
Total Liabilities and Shareholders' Equity			43,274,402,429	43,551,496,465



2- Settlement of book value of financial assets and liabilities at the date of initial application of the CBE's instructions regarding IFRS 9.

The following table shows the settlement of the book value of financial assets and liabilities according to the preparation rules issued from CBE instructions compared to the book value according to the CBE's instructions regarding IFRS (9) upon conversion to IFRS 9 on 1 January 2019.

Effect of implanting IFRS 9:

	EGP
Effect of recognizing expected credit losses	
Provisions formed according to CBE's instructions issued on 16 December 2008	
Impairment of loan and facilities loss provision to customers	2,027,028,221
Contingent liabilities reserve	59,741,681
Total	2,086,769,902
Expected credit loss provision according to IFRS 9	
Loan and facilities loss provision to customers	1,743,587,309
Expected credit loss provision for contingent liabilities	122,393,760
Expected credit loss provision for loans arragements	277,566,242
Expected loan loss provision for due from banks	249,072
Expected loan loss provision for financial assets at amortized costs	6,097,804
Total	2,149,894,187
Variances due to implementation of IFRS 9	63,124,285



3				
	Book value according to CBE's instructions dated 16 December 2008 (EGP	Reclassification (EGP)	Effect of expected credit loss (EGP)	Book value according to IFRS 9
Assets				
Cash and due from Central Bank of Egypt (CBE)	2,486,135,211			2,486,135,211
Due from banks	8,749,502,983		(249072)	8,749,253,911
Treasury bills	9,650,281,636	(9,650,281,636)		
Financial assets held for trading	378,109,424	(378,109,424)		
Investments available for sale	40,316,488	(40,316,488)		
At fair value through profit and loss		365,634,777		365,634,777
At fair value though comprehensive income		1,326,062,510		1,326,062,510
Held to maturity	4,079,789,993	(4,079,789,993)		
Amortized cost		12,456,800,254	(6097804)	12,450,702,450
Loans and facilities to customers	13,609,254,404		283,440,912	13,892,695,316
Investments in affiliates and associates	1,663,314,124			1,663,314,124
Housing projects after deduction	837,209,048			837,209,048
Investment properties	79,324,028			79,324,028
Intangible assets	120,831,827			120,831,827
Other assets	884,067,196			884,067,196
Fixed assets	696,266,067			696,266,067
Total assets	43,274,402,429	-	277,094,036	43,551,496,465
Liabilities and Equity				
Liabilities				
Due to banks	456,920,252			456,920,252
Customers' deposits	34,122,070,120			34,122,070,120
Other loans	701755614			701755614
Dividends payable	612994			612994
Other liabilities	2335628972			2335628972
Other provisions	605072029		340218321	945290350
Current income tax obligations	123341368			123341368
Deferred tax	17653453			17653453
Retirement benefit obligations	36433851			36433851
Total Liabilities	38399488653		340218321	38739706974
Equity				
Paid-up capital	1265000000			1265000000
Reserves	1799662556		(63124285)	1736538271
Retained earnings	1810251220			1810251220
Total shareholder's equity	4874913776		(63124285)	4811789491
Total Liabilities and Shareholders' Equity	43274402429		277094036	43551496465



B. Affiliates and Associates

B.1. Affiliates

Affiliates are the entities over which the bank owns directly or indirectly the power to govern the financial and operating policies generally accompanying a shareholding of more than one-half of the voting right. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the bank has the ability to control the entity.

B.2. Associates

Associates are the entities over which the bank owns directly or indirectly significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. The purchase method of accounting is used to account for the acquisition of affiliates by the bank. The cost of acquisition is measured at the fair value of the assets given and/or, equity instruments issued and/ or liabilities incurred and/or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the bank's share of the identifiable net assets acquired is recorded as goodwill in the consolidated financial statements, and if the cost of acquisition is less than the fair value of the net assets of the acquired affiliates, the difference is recognized directly in the consolidated profits and losses statement among the item of other operating revenues (expenses) in the consolidated financial statements.

Accounting for affiliates and associates in the separate financial statements are recorded by cost method, according to this method, investments are recorded at cost of acquisition including any goodwill after deducting any impairment losses in value, and the dividends in the profits and losses statement are recorded in the adoption of the distribution of these profits and evidence of the bank's right to collect them.

C. Translation of Foreign Currencies

C.1 Functional and presentation currency

The financial statements are presented in Egyptian pound, which is the bank's functional and presentation currency.

C.2. Functions and balances in foreign currencies

The bank maintains its accounts in Egyptian pound and transactions are recorded in foreign currencies during the fiscal year on the basis of prevailing exchange rates at the date of the transaction. Monetary assets and liabilities are denominated in foreign currencies are retranslated at the end of the fiscal year on the basis of prevailing exchange rates at that date. Foreign exchange gains and losses resulting from the settlement and translation of such transactions and balances are recognized in the income statement and reported under the following items:

Net income of trading or net income from the financial instruments classified at the date of their inception at the fair value through profits and losses of assets/liabilities for the purpose of trading or those classified at their inception at the fair value through profits and losses according to their type.

Shareholders' equity of financial derivatives as a coverage for cash flow or as a coverage for net investment.

Other operating income (expenses) for the other items.

Changes in fair value of financial instruments denominated in foreign currency classified at fair value

through other comprehensive income (debt instruments) is analyzed between valuation differences resulted from changes in amortized cost of the instrument, differences resulted from changes in the prevailing exchange rates, differences resulted from changes in the fair value of the instrument, and differences resulted from the impairment of the financial assets. Those changes are recognized in the income statement as income on loans and similar items regarding changes in amortized cost, differences related to changes in the exchange rate are recognized as other operating income(expense), and changes in fair value are recognized in equity (Other comprehensive income Financial assets at fair value through other profit and loss).

Valuation differences resulted from non-monetary items include profit and loss resulted from changes in fair value such as equity instruments held at fair value through profit and loss, while valuation differences resulted from equity instruments classified as financial assets at fair value through other comprehensive income are recognized as shareholders' equity.

D. Financial Assets

D.I. Recognition

The Bank classifies its financial assets into the following categories: fair value through profit or loss (FVTPL), fair value through other comprehensive income (FVTOCI) and amortized cost. Management determines the classification of its investments at initial recognition.

D.2. Classification

Financial Assets - Policies applied starting from 1 January 2019:

At the time of initial recognition, the bank determines the classification of financial assets to be classified at amortized cost, fair value through other comprehensive income (FVTOCI) and fair value through profit or loss (FVTPL).

Financial asset classified at amortized cost if the following two conditions are met and was not recognized at inception date by the bank at fair value through profit or loss:

The financial asset is retained in the business model of financial assets held to collect contractual cash flow.

The contractual terms of the financial asset at specific dates result in contractual cash flows of the asset represented only in the principal financial instrument amount and the return.

The debt instrument that was not allocated at the initial recognition at the fair value through profit or loss is measured at the fair value through other comprehensive income if both of the following conditions are met:

The financial asset is retained in the business model that aims to collect contractual cash flows and sell the financial

The contractual terms of the financial asset on specific dates result in contractual cash flows of the asset and not represented only the principal debt and the return.

Upon the initial recognition of an equity instrument that not held for the purpose of trading, the bank may make an irrevocable choice to present subsequent changes in the fair value through the other comprehensive income statement. This choice shall be made for each investment individually.

The remaining financial assets are classified as investments at the fair value through profit or loss.

In addition, upon the initial recognition, the bank may irrevocably allocate a financial asset measured at the fair value through profit or loss, although it meets the criteria of classification as a financial asset at amortized cost or at the fair value through other comprehensive income, if this action substantially reduces the inconsistency that may arise in the accounting measurement.

Business Model Evaluation

1) Debt and equity instruments are classified and measured according to the following:

	Methods of Measurement according to the business model				
Financial Instrument	A so a subina al ana ab	Fair value			
	Amortized cost	Through comprehensive income	Though profit or loss		
Equity instruments		One-time irrevocable choice at the initial recognition	Normal transaction of equity instruments		
Debt Instruments	Business model of assets held to collect contractual cash flows	Business model of assets held to collect contractual cash flows and sale	Business model of assets held for trading		

2) The bank prepares, documents and approves a business model in accordance with the requirements of the IFRS 9 in a way that reflects the bank's strategy set to manage the financial assets and their cash flows, follows:

Financial Asset Business Model		Basic Characteristics		
Financial assets at amortized cost contractual cash flows		The business model is aimed to retain the financial assets to collect the contractual cash flows of the principal amount of investment and revenues. The sale is an exceptional contingent action comparing to the purpose of this model and the terms of t standard represented in the deterioration in the creditworthiness of the financial instrument issuer. Less sales in terms of frequency and value. The bank performs a clear and reliable documentation of the rationale of each sale process and its compliance with the requirements of the standard.		
Financial assets at fair value through comprehensive income	Business model of financial assets held for the collection of contractual cash flows and sale.	Both the collection of contractual cash flows and sales are complementary to the objective of the model. Sales are high (in terms of frequency and value) compared to the business model held for the collection of contractual cash flows.		
Financial assets at fair value through profit or loss	Other business models include (trading – managing the financial assets based on fair value – maximizing cash flows through sale)	The business model is not aimed to retain the financial asset for the collection of contractual or this retained for the collection of contractual cash flows and sales. Collecting contractual cash flows is an exceptional action compared to the model objective. Managing the financial assets at the fair value through profit or loss to avoid inconsistency in accounting measurement		



The bank shall evaluate the business model goals at the portfolio's level in which the financial asset is retained, being the way that reflects both the methods of work management and information provided. The information to be taken into consideration while evaluating the business model goals include the following:

The approved and documented policies and the objectives of the portfolio in addition to applying such policies in practical reality, specially whether the management strategy focuses only on collecting the contractual cash flows of the asset and retaining a certain return rate to meet the dates of financial assets' maturity with the dates of the liabilities' maturity that are funding such assets; or rather on generating cash flows through selling such assets.

The method of evaluating the portfolio's performance and reporting the same to the top management.

The risks affecting the business model performance including the nature of the financial assets retained within such model and the method of managing such risks.

The method of evaluating the performance of work managers (fair value and/or returns on the portfolio).

Frequency, value and timings of sales' transactions in the previous periods; the reasons of such transactions; as well as the expectations regarding the future sale activities. However, the information of the sales' activities is not taken into consideration in isolation., but rather as a part of a comprehensive evaluation of the method of carrying out the bank's goals regarding managing financial assets and how cash flows are generated.

The financial assets, which are retained for the purpose of trading or those which are managed and evaluated based on the fair value, are calculated by the fair value through profits and losses because they are not retained for the purpose of collecting contractual cash flows and/ or selling financial assets.

Evaluating whether the asset's contractual cash flows represent payments that are only limited to the original amount of the instrument and the return.

For the purpose of carrying out this evaluation, the bank defines the original amount of the financial instrument as the fair value of the financial asset at initial recognition. The return is defined as the consideration of the time value of money, the credit risks attached to the original amount during a certain period of time, other basic lending risks and costs (such as the risks of liquidity and administrative costs), and profit margin.

For the evaluation whether the asset's contractual cash flows are payments that are limited only to the asset and return on the financial instrument, the bank puts the contractual terms of the instrument into consideration. This includes evaluating whether the financial instrument includes contractual terms that may change the timing or amount of contractual cash flows, which may lead to non-acceptance of such terms.

For the purpose of carrying out the above evaluation, the Bank needs to take the following into consideration:

Potential events that may change the timing or amount of contractual cash flows;

characteristics of the financial leverage (rate of return, time limits, currency...)

Terms of prompt payment and extension of time limits;

The terms that may limits bank's ability to claim cash flows from certain assets;

The characteristics that may amend the consideration of the time value of money (re-estimating the return rate on a periodical basis).

The bank does not reclassify groups of financial assets unless the business model is changed, which rarely happens, or does not happen except infrequently or when the credit capacity of one of the debt instruments declines at amortized cost.



E. Offsetting between Financial Instruments

Financial assets and liabilities are offset when the bank has a legally enforceable right to offset the recognized amounts and it tends to settle this amount on a net basis, or realize the asset and settle the liability simultaneously.

Repos and reverse repos agreements related to treasury bills are netted on the balance sheet and disclosed under "treasury bills and other governmental notes" caption of the balance sheet.

F. Financial Derivatives Instruments and Hedging Accounting

Embedded derivatives are not isolated if they are included in a financial instrument that falls under the financial assets definition as per IFRS 9 "Financial Instruments".

Recognizing the profits and losses resulted from the fair value depends on whether the derivative is a covering instrument provision and according to the nature of the covered item. The bank classifies some of the derivatives as one of the following:

Risk Hedging of the fair value of recognized assets and liabilities or confirmed commitments (fair value hedging).

Risk hedging of future highly expected cash flows related to a recognized asset or liability or related to an expected transaction (cash flows hedging).

Hedging accounting is used for derivatives devoted for that purpose if the needed conditions are available.

At the initiation of the transaction, the bank documents the relations between the covered items and hedging instruments, also the objectives of risk management and the strategy of having different hedging transactions. At the beginning of hedging and consciously, the bank documents the estimation of whether the derivatives used in hedging transactions are effective in facing the changes in the fair value or cash flows of the covered items.

F.1. Fair value hedging

The changes in the fair value of qualified derivatives allocated for hedging of the fair value are recognized in the profit and loss statement; this occurs with any change in the fair value related to the risk of the covered asset or liability.

The effective changes in the fair value of return transfers contracts and the related hedged items are added to the net return, and the effective changes in the fair value of the future currency contracts are added to net income from financial investmets at fair value through profit and loss.

Inefficiency in all of the contracts and the related hedged items mentioned in the previous paragraph are added to the net income from financial investments at fair value through profit and loss.

If the hedging is no longer following the hedging accounting procedures, the modification added to the book value of the hedged items shall be recorded by the amortized cost method; this is through charging it against the profits and losses along the year till its maturity. Amendments in hedged equity instrument's book value remain within the shareholders' equity till it has been excluded.

F.2. Cash flows hedging

The effective part in the changes in the fair value of the qualified derivative allocated to hedge the cash flows is recognized in the other comprehensive income, while the profit and losses related to the ineffective part are recognized immediately as (net income from financial investments at fair value through profit and loss) in the profit and loss statement.



The amounts accumulated in the shareholders' equity are transferred to the profit and loss statement in the same periods that the hedged item has an effect on profits and losses. Profits and losses related to the effective part of the currency transfers and options are added to the net financial investments at fair value through profit and loss item.

When the hedging instrument is being due or sold, or when the hedging is no longer following the hedging accounting procedures, the profits and losses accumulated in the shareholders' equity in that time remain within the shareholders' equity item and it is recognized in the profit and loss statement when the expected transaction is finally recognized. But if the expected transaction is no longer expected to occur, then the profits and losses accumulated in the shareholders' equity are immediately transferred to the profit and loss statement.

F.3. Unqualified derivative of hedging accounting

Changes in the fair value of the unqualified derivatives of hedging accounting are being recognized in the net income from financial investments at fair value through profit and loss item. In the profit and loss statement, the profits and losses resulted from the changes in the fair value is recognized in net income from financial instruments valued by the fair value of profits and losses; this is through the profits and losses resulted from the changed in the fair value of derivatives managed in relation to the classified assets and liabilities at fair value through profits and losses.

G. Recognizing first day's deferred profits and losses:

Regarding the tools that evaluate the fair value, the transaction price is considered to be the best tool to evaluate the fair value on the transaction date (i.e. fair value of delivered or received return) unless the fair value of the instrument on that date is indicated depending on the transaction's price in published market or using evaluation modules. When the bank has a long term transaction, its fair value is specified using evaluation modules that their inputs may not all be from the published market rates or prices, and those financial instruments are recognized according to transaction price which is the best indication of the fair value. Although the value calculated from evaluation modules may be different, and the difference between the transaction price and the amount resulted from the module is not immediately recognized as first day's profits and losses and it is listed as other assets in the case of loss, and as other liabilities in the case of profit. The timing of recognizing the deferred profit and loss is specified separately for each case through its amortization on the transaction or when it is possible to identify the instrument's fair value using published markets inputs or by approving it when adjusting the transactions; the instruments are measured later by the fair value; the subsequent changes in the fair value are immediately recognized in the profit and loss statement.

H. Interest Income and Expense

Interest income and expense for all interest-bearing financial instruments, except for those classified for trading or at fair value through profit or loss, are recognized within "loan interest and similar revenues" or "deposits interest and similar costs" in the profit and loss statement using the actual interest method.

The actual interest method is a method of calculating the amortized cost of a financial asset or liability and of allocating the interest income or interest expense over the relevant year. The actual interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter time period to net the book value of the

financial asset or financial liability. When calculating the actual interest rate, the Bank estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation method includes all fees paid or received between parties to the contract that are an integral part of the actual interest rate, transaction costs and all other premiums or discounts.

When classifying loans and debts as irregular or impaired (stage three), interest income is recognized and recorded in marginal registers away from the financial statements, and it is recognized within revenues according to the cash basis based on the following:

When it is collected after redeeming all dues of consumer and real estate loans for personal housing, and small loans for economic activities.

Concerning the loans granted for corporates, cash basis is also followed where the interest calculated later is not recognized until 25% of all balances are paid with a minimum limit of one year for regular performing. If the client continues to perform regularly, the interest calculated on the existing loan balance is listed in the interest on the regular scheduled balance, without marginal interest before scheduling where it is not listed in revenues until after full payment of the loan balance in the financial position before scheduling.

I. Fees and Commissions

Fees charged for servicing a loan or facility are recognized as revenue when the service is provided. Fees and commissions on non-performing or impaired loans or receivables cease to be recognized as income and are rather recorded off balance sheet. These are recognized as revenue – on the cash basis – only when interest income on those fees and commissions that are an integral part of the actual interest rate of a financial asset are treated as adjustment to the actual interest rate of that financial asset.

Commitment fees received by the bank to originate a loan are deferred if it is probable that the bank will enter into a specific lending arrangement and are regarded as a compensation for an ongoing involvement with the acquisition of the financial instrument and recognized as an adjustment to the actual interest rate. If the commitment expires without the bank making the loan, the fees are recognized as revenue on expiry.

Fees related to debt instruments which are measured at fair value are recognized under revenue at initial recognition. The fees for promotion of joint loans are recognized within revenues upon completing the promotion process without retaining any part of the loan by the bank, or if the bank maintains a part thereof with the actual interest rate available to other participants.

Fees and commissions that are earned on negotiating or participating in the negotiation of a transaction in favor of another entity, such as arrangements for the allotment of shares or another financial instrument or acquisition or sale of an enterprise on behalf of a client, are recognized as revenue when the transaction has been completed. Administrative consultations and other service fees are usually recognized as revenue on a straight-line basis over the year in which the service is rendered. Fees from financial planning management and custodian services provided to clients over long year are usually recognized as revenue on a straight-line basis over the year in which these services are rendered.



Dividends are recognized in the profit and loss statement when the bank's right to receive payment is established.

K. Purchase & Resale Agreements, and Resale & Purchase Agreements

Financial instruments sold under repurchase agreements are shown in the assets side as an addition to the "treasury bills and other governmental notes" in the balance sheet. On the other hand, the bank's obligation arising from financial instruments acquired under resale and purchase agreements, is shown as a deduction from the "treasury bills and other governmental notes" in the balance sheet. Differences between the sale and repurchase prices are recognized as interest income that is due throughout the duration of agreements using the actual interest rate method.

L. Impairment of Financial Assets

The bank assembles debt instruments in groups with similar credit risks based on: the type of the banking product for the retail product, the clients for the corporate loans, and the recognized credit rating agencies for the balances at banks and sovereign debts.

The bank classifies debt instruments into three phases based on the quantitative and qualitative criteria provided in the (Central Bank of Egypt) CBE's instructions issued on Feb. 26, 2019.

The bank estimates, on the date of financial statements, the provision of the financial instrument's impairment losses at a value that is equal to the expected credit losses (ECLs) for the lifetime of the financial instrument, except for the debt instruments with low credit risks or otherwise of debt instruments whose credit risks did not significantly increase, on the financial position date, since the initial recognition.

The bank considers ECLs to be a potential weighted estimation of ECLs, which are estimated as follows:

ECLs are estimated in the first phase by calculating the current value of the total cash deficit calculated based on the historic probability of default rates as amended by the expectations of macro-economic scenarios' average that would be the rates of economic growth, inflation and unemployment for twelve months for the debt instruments in the first phase or the lifetime of the asset for the second phase.

Regarding the credit-impaired debt instruments (third phase), ECLs are calculated based on the difference between the asset's total book balance and the current value of the future expected cash flows.

Commitments related to loans and financial guarantees are considered as among the value calculation upon default. ECLs are calculated for the contracts of financial guarantees based on the difference between the payments expected to be paid to the guarantee holder less any other amounts that the Bank expects to redeem.

The bank shall not move the financial asset from the second phase to the first phase unless all the quantitive and qualitative elements of the first phase are met.

Financial assets at fair value through the other comprehensive income

Financial assets are measured at fair value through the other comprehensive income, whether they were listed on the Stock Exchange with inactive transactions or not listed, by determining the fair value through one of the accepted technical methods for determining the fair value. However, in case of not being able to determine the fair value of such stocks through a reliable method, they should be measured at replacement cost.



At the date of each financial position, the value of the debt instruments' ECLs are estimated by the bank and recognized in the statement of profits and losses, whereas the rest of differences like the change in the fair value are recognized in the other comprehensive income. In case the value rises, it should be expressed in the statement of profits and losses to the extent of what was previously charged during previous financial periods, provided that any increase should be recognized in value in the other comprehensive income. As for the equity instruments, all change differences are recognized at fair value in the other comprehensive income till the asset is disposed, and in such case, all those differences are carried forward to the retained earnings.

M. Evaluation of Housing Projects

The cost of works under constructions includes the cost of allocated lands for housing projects, the cost of the constructions therein, the borrowing costs that are capitalized during the borrowing period until related work is finished and all related expenses to works under constructions are considered one of the qualified assets to be charged with the borrowing costs which should be no more capitalized for the projects that their core activities are finalized and needed to make them ready for their identified purposes or for selling them to other.

Finished housing units are evaluated at the cost or the net selling value, whichever is lower; the fair value is evaluated in the light of detailed studies prepared by specialists at the bank. In case the fair value is less than the cost, the difference is charged to reduce "profits of housing projects" item in the statement of profits and losses. In case of an increase in the fair value, such increase shall be credited to the statement of profits and losses to the extent previously charged to the income statement for pervious fiscal periods.

The cost and selling price of housing units in some distinguished projects are calculated according to the privileges in location and area for each unit with no effect on the project's total cost.

Investment property

Investment property is represented in land and Buildings owned by the bank for gaining rental revenues or capital appreciation. Therefore, it doesn't include real-estate assets used in the bank's operations. Investment property is accounted by the same method applied for fixed assets in which investment property is recorded at historical cost and depreciated using straight line method using appropriate depreciation rates and recognizing impairment losses if needed.

N. Intangible Assets

N.I. Computer programs

Expenses related to improvement and maintenance of computer programs are recognized as expenses in the statement of profits and losses when incurred, and recognized as an intangible asset in expenses related directly with definite programs and under the bank control and expected to generate economic benefits which exceed their cost for more than one year. Direct expenses include labor cost in the program improvement team in addition to appropriate average of related general expenses.

It is recognized as an improvement cost in the expenses that lead to an increase or expansion in the performance of the computer program more than its original standards, and it is added to the program cost.

Computer programs' cost which are recognized as an asset are amortized over its lifetime of not more than 3 years.



N.2. Other intangible assets

Represented in the intangible assets other than goodwill and computer programs for example (trademarks, licenses, and rental contracts benefits).

Other intangible assets are recorded by acquisition cost and are amortized by straight line method or the expected economic benefits, along its estimated useful life. Considering assets with no definite useful life, they are not amortized but its impairment loss is yearly examined and recorded (if found) in the statement profits and losses.

O. Fixed Assets

Land and buildings comprise mainly headquarters, branches and offices. All fixed assets are recorded at historical cost less of depreciation and impairment losses. Historical cost includes expenditures that are directly attributable to the acquisition of the fixed assets items.

Subsequent costs are recognized in the existing asset's book value or considered as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Bank and the cost of the asset can be measured reliably. All other repairs and maintenance expenses are recognized within" other operating expenses" during the financial year in which they are incurred.

The fixed assets shall be depreciated (except for lands) by the straight-line method, using the appropriate depreciation rates to be specified on a basis of the useful life estimated for the asset. Depreciation shall be calculated as of the date of the actual use, and the fixed assets appear in the financial position in net after deducting the accumulated depreciation; depreciation rates are as follows:

Asset	Annual Depreciation Rate
Buildings & constructions	5%
Machinery and equipment	25%
Furniture	10%
Transportation vehicles	25%

Improvement and renovation expenses related to the bank's rented branches are amortized through the estimated useful life or the term of the rental contract, whichever is less.

Fixtures and fittings are depreciated over 3 years.

The fixed assets' scrap values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the book value may not be recoverable. An asset's book value is written down immediately to its recoverable amount if the asset's book value is greater than its estimated recoverable amount.

The recoverable amount of an asset is the asset's selling value or value in use or whichever is higher. Gains and losses on disposals are determined by comparing net proceeds with relevant book value. These are included in profit or loss in other operating income (expenses) in the statement of profits and losses.

P. Non-financial Asset Impairment

Assets without definite useful life are not amortized, and they are tested annually for impairment. Assets are tested for impairment whenever events or circumstances indicated that the book value may not be recoverable.

Then the impairment loss is recognized and the value of an asset is reduced to the extent that the book value exceeds the recoverable amount. The recoverable amount represents the asset's net selling value or value in use or whichever is less. In order to estimate the impairment, asset is joined to the smallest possible cash-generating unit.

Non-financial assets with impairment are reviewed to assess whether or not all or part of such impairment loss should be reversed to the statement of profits and losses on the date of preparing each financial statement.

Q. Rental

Payments are recorded in the operating rent account after deducting any discounts received from the lesser among the expenses in the statement of profits and losses according to straight line method within the contract term.

R. Cash and Cash Equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisition; they include cash and balances due from central bank of Egypt other than those within the mandatory reserve, balances at banks and financial investments other than fair value through profit and loss.

S. Provisions

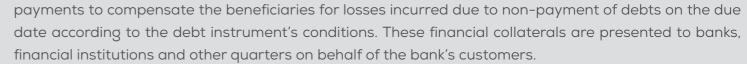
Provisions for restructuring costs and legal claims are recognized when the Bank has a present legal or constructive obligation as a result of past events, and it is more likely that using the bank's resources will be required to settle the obligation, in addition to the possibility to carry out a reliable estimation for the amount of that obligation.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole, and the provision is recognized even if there is a faint possibility of the outflow existence.

When a provision is wholly or partially no longer required, it shall be reversed through profit and loss under other operating income (expense). An appropriate interest rate is used to measure the present value of liabilities' payments that are determined to be settled after one year from balance sheet date. This interest rate is not affected by the taxes' rates which reflect the cash time value, and if it's due in less than a year, estimated value of the liability is calculated; and if it has an important effect, it's recognized by the present value.

T. Financial collateral contracts

Financial collateral contracts are those contracts issued by the bank as collateral for loans or debit current accounts presented to its customers from other entities, where the bank is required to pay certain



Initial recognition in the financial statements is recorded by the fair value on the date of granting the collateral which may reflect the collateral fees. Later on, the bank's liability is measured by virtue of the collateral on the basis of the initial recognition amount less the amortization calculated to recognize the collateral fees in the statement of profits and losses by the straight line method over the collateral lifetime, or the best estimation of the needed payments to adjust any financial liability resulted from the financial collaterals on the balance sheet date, whichever is higher. These estimations are specified according to the experience in similar transactions and historical losses and also by the management's judgment.

Any increase in the liabilities resulted from financial collaterals, is recognized in the statement of profits and losses as other operating revenues (expenses).

U. Employees' Benefits

U.I. Pension Liabilities

The bank is committed to pay the contributions to the National Organization for Social Insurance, and will assume no additional liabilities once those contributions are paid. Those contributions are recorded yearly in the statement of profits and losses in its maturity year and are listed as labor benefits.

The bank has insurance fund for the employees of the bank, which was founded in 1987 subject to the provisions of Law No. 54/1975 and its executive regulations, for the purpose of granting compensation and insurance benefits for the members; the provisions of this Fund and its amendments are applied to all of the employees of the bank's head office and its branches.

The bank is committed to pay the annual and monthly subscriptions to the Fund according to the Fund's regulations and its amendments. No other liabilities are assumed by the bank after the payment of the subscriptions. Those subscriptions are recognized as administrative expenses when they come due. The prepaid subscriptions are recognized as assets to the limit that the advance payment leads to the reduction of the future payments or to a cash refund.

U.2. Retirement Liabilities

The bank applies a specified medical system for its employees and the retired ones. The bank's commitment towards its employees is evaluated according to the above mentioned system, and the bank's liabilities are represented in the difference between both the present value of liabilities on the balance sheet date and the present value of its assets including settlements resulted from actuarial profit/loss and also the cost of previous service. Those liabilities are determined annually by independent actuarial expert using the "estimated added unit approach" and are determined through estimated future cash outflow applying interest rates on governmental bonds with maturities similar to that of the liabilities, and those liabilities are listed in "retirement liabilities" item.

Actuarial gains or losses realized from settlements resulted from experience, changes in actuarial differences and amendments to the health service system shall be carried forward to the statement of profits and losses over the average of the remaining service periods of employees.

Profit/loss resulted from amendments and changes in the actuarial estimations and propositions shall be calculated. Those profits shall be credited and losses shall be debited in the statement of profits and



losses if they are not more than 10% of the value of the system's assets or 10% of the defined benefits liabilities, whichever is higher. In case profits (losses) are more than the percentage, the increment is added (deducted) in the statement of profits and losses over the average of the remaining working years.

The cost of the previously mentioned service is recognized directly in the statement of profits and losses as the administrative expenses unless changes that have been made on the system's conditions state that worker should stay for a specified period of time (maturity period). In this case, the cost of the aforesaid service is amortized using straight-line method over the maturity period.

U.3. Share-based payments

The bank has regulations of share-based payments performed in a form of equity instruments. The fair value of the employees' services received in exchange for the grant of the options is recognized as an administrative expense. The total amount to be expensed over the maturity period is determined by reference to the fair value of the options granted, excluding the impact of any non-market maturity conditions (for example, profitability targets). Non-market maturity conditions are included in assumptions about the number of options that are expected to become exercisable. At each balance sheet date, the bank revises its estimated number of options that are expected to become exercisable. It recognizes the impact of the revision of original estimates, if any, in the statement of profits and losses, and a corresponding adjustment to equity shall be carried out over the remaining maturity period.

The proceeds received from employees after deducting any directly attributable transaction costs are credited in net to share capital (in nominal value) and share premium when the options are exercised.

V. Income Taxes

Income tax on the year's profit or loss includes the sum of the tax currently payable and deferred tax and is recognized in the statement of profits and losses, except when the income tax relates to items that are recognized directly in equity.

Income tax is recognized based on net taxable profit using the tax rates applicable on the date of the financial position in addition to tax adjustments for previous years.

Deferred taxes that are resulted from temporary time differences between the book value of assets and liabilities are recognized according to the accounting bases and their values according to the tax bases. On the other side, the deferred tax is determined according to the method expected to settle the values of assets and liabilities using the tax rates applicable on the date of financial position.

The deferred tax assets of the bank are recognized when there is a possibility likely to realize taxable profits in the future through which such asset can be utilized. The deferred tax asset amount is reduced with the part that will not realize tax benefit expected during the coming years, provided that in case the expected tax benefit is increased, the deferred tax assets shall be increased to the limit that was previously reduced.

W. Borowing

Loans obtained by the bank are initially recognized at fair value less costs incurred in connection with obtaining the loan. Loans are subsequently measured at amortized cost, and the differences between net proceeds and the value to be paid over the borrowing period are recognized in the statement of profits and losses using the actual interest rate method.



X. Capital

X.1. Cost of capital

The issuance expenses that are related directly with issuing new shares or shares of acquiring entity or issuance options, are presented a deduction from shareholders' equity and the net revenues after tax.

X.2. Dividends

Dividends are recognized as a deduction from the equity when the general assembly of shareholders approves them. Dividends include the employees' profit share and the board of directors' remuneration as prescribed by the bank's articles of association and the law.

Y. Trust Activities

The bank exercises the trust activities, the matter that leads to owning and managing assets for individuals, trusts and funds; these are benefits after the completion of service. Those assets and profits resulted therefrom are not recognized in the bank's financial statements because they are not owned by the bank.

Z. Comparative Figures

Comparative figures are reclassified, whenever necessary, to conform with changes in the current year's presentation.

3. Management of Financial Risks

The bank, as a result of conducting its activities, is exposed to various financial risks. Since financial activities are based on the concept of accepting risks and analyzing and managing certain risks or a group of risks together, the bank aims at achieving a well-balanced risks and relevant rewards, as appropriate and to reduce the probable adverse effects on the bank's financial performance. The most important types of risks are credit risk, market risk, liquidity risk and other operating risks. The market risk comprises foreign currency risk, interest rate risk and other pricing risks.

The risk management policies have been laid down to determine and analyze the risks, set limits to the risks and control them through reliable methods and up-to-date systems. The bank regularly reviews the risk management policies and systems and amendments thereto, so that they reflect the changes in markets, products and services and the best up-to-date applications.

Risks are managed in accordance with preapproved policies by the board of directors. The risk management department identifies, evaluates and covers financial risks, in close collaboration with the bank's various operating units. The board of directors provides well-known principles to manage risks as a whole, in addition to published policies, which cover certain risk such credit risk, foreign exchange risk, interest rate risk and the use of financial derivatives and non-derivatives. Moreover, the risk department is responsible for the periodic review of risk management and the control environment independently.

A. Credit Risk

The bank is exposed to the credit risk which is the risk resulted from failure of the client to meet its contractual obligations towards the Bank. The credit risk is considered to be the most significant risk for the bank, therefore requiring careful management. The credit risk manifests itself in the lending activities

and debt instruments in bank's assets as well as off balance sheet financial instruments, such as loans commitments. The credit risk management and control are centralized in a credit risk management team in the Bank's Risk Management Department and reported to the Board of Directors, top management and head of each business unit regularly.

A.I. Measuring the Credit Risk

Loans and facilities to banks and clients

In measuring credit risk of loans and facilities to clients and banks, the Bank's rating system is based on the following key pillars:

The 'probability of default' by the client or counterparty on its contractual obligations.

Current exposures to the counterparty and its likely future development, from which the bank derive the (exposure at default).

The daily management business of the bank's activity involves these credit risk measurements, which reflect expected loss. The operational measurements can be contrasted with impairment allowances required under EAS and in accordance with the Central Bank of Egypt's instructions approved by the board of directors on 16 December 2008, which are based on losses that have been incurred on the date of the balance sheet (the 'incurred loss model') rather than expected losses.

The bank assesses the probability of default of individual counterparties using internal creditworthiness rating tools tailored to the various categories of counterparty. They have been developed internally and combine statistical analysis with credit officer judgment to reach the relevant creditworthiness rating basis. Clients of the Bank are segmented into four rating classes. The bank's rating scale, which is shown below, reflects the range of default probabilities defined for each rating class. This means that, in principle, exposures migrate between classes while the assessment of their probability of default changes. The rating tools are kept under review and upgraded as necessary. The Bank regularly validates the performance of the rating and their predictive power with regard to default events.

Bank's internal ratings scale

Bank's Rating	Description of the grade
1	Good debts
2	Normal watch-list
3	Special watch-list
4	Non-performing loans

The position exposed to default depends on the amounts that the Bank expects to be outstanding when delay occurs. For instance, for the loans, the position would be the nominal value; for commitments, the Bank includes all the amounts already withdrawn in addition to the other amounts that are expected to be withdrawn till the date of delay, if any.

Presumptive loss represents the Bank's expectations of the amount of loss when the debt is claimed in case of delay. This is expressed by the loss percentage in the debt, which certainly differs according to the type of debtor, the priority of claim, and the availability of guarantees or other credit coverage means.

Debt Instruments



As for debt instruments, the bank uses external classifications or any equivalent in credit risk management. However, if such evaluations are not available, similar methods are used to the ones applied to credit clients. Such investments in securities are considered a means to obtain a better credit quality and at the same time it provides an available source for meeting the financing requirements.

A.2. Risk limitation and mitigation policies

The bank manages, limits and controls concentrations of credit risk wherever they are identified – in particular, to individual counterparties and banks, and to industries and countries.

The Bank structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to each borrower, or groups of borrowers, and to geographical and industry segments. Such risks are monitored on a continuous basis and subject to an annual or more frequent review, when considered necessary. Limits on the level of credit risk at the level of borrower, groups of borrowers, product, and industry sector are approved quarterly by the Board of Directors.

Exposure to credit risk is also managed through regular analysis of the ability of borrowers and potential borrowers to meet obligations and by changing these lending limits where appropriate.

Some other specific control and mitigation measures are outlined below:

Collaterals

The bank employs a range of policies and practices to mitigate credit risk. The most of these is the taking of security for funds advances. The bank implements guidelines on the acceptability of specific classes of collateral or credit risk mitigation. The principal collateral types for loans and facilities are:

Mortgages over residential properties.

Mortgage business assets such as machinery and goods.

Mortgage financial instruments such as debt instruments and equities.

Usually, Longer-term finance and lending to corporates are generally secured; real estate borrowing for individuals is generally unsecured.

In addition, in order to minimize the credit loss, the bank will seek additional collateral from the relevant parties as soon as impairment indicators are noticed for the relevant individual loans and facilities.

Collaterals held as security for financial assets other than loans and facilities are determined by the nature of the instrument. Debt instruments and treasury bills are generally unsecured, with the exception of asset-backed securities and similar instruments, which are secured by portfolios of financial instruments.

Derivatives

The bank maintains strict control limits on net open derivative positions (i.e., the difference between purchase and sale contracts), by both amount and term. At any one time, the amount subject to credit risk is limited to the current fair value of instruments that are favorable to the bank (i.e., assets where their fair value is positive), which in relation to derivatives is only a small fraction of the contract, or negotiable values used to express the volume of instruments outstanding. This credit risk exposure is managed as part of the overall lending limits granted to customers, together with potential exposures from market movements. Collaterals are not usually obtained for credit risk exposures on these instruments, except where the bank requires margin deposits from counterparties.

Settlement risk arises in any situation where a payment in cash, securities or equities is made in the

expectation of a corresponding receipt in cash, securities or equities. Daily settlement limits are established for each counterparty to cover the aggregate of all settlement risk arising from the Bank's transactions on any single day.

Commitments Related to Credit

The primary purpose of the commitments related to credit is to ensure that funds are available to a customer upon request. Collaterals carry the same credit risk related to loans. Documentary and commercial letters of credit – which are written undertakings by the Bank on behalf of a customer authorizing a third party to draw drafts on the Bank up to a stipulated amount under specific terms and conditions— are collateralized by the shipment of goods to which they relate and therefore carry less risk than a direct loan.

Commitments to extend credit represent unused portions of authorizations to extend credit in the form of loans, collaterals or letters of credit. With respect to credit risk on commitments to extend credit, the Bank is potentially exposed to loss in an amount equal to the total unused commitments. However, the likely amount of loss is less than the total unused commitments, most commitments to extend credit are contingent upon customers maintaining specific credit standards. The Bank monitors the term to maturity of credit commitments because longer-term commitments generally have a greater degree of credit risk than shorter-term commitments.

A.3. Impairment and Provisions Policies

The internal rating systems previously described focus more on credit-quality mapping from the inception of the lending and investment activities. In contrast, impairment provisions are recognized for financial reporting purposes only for losses that have been incurred at the balance sheet date based on objective evidence of impairment. Due to the different methodologies applied, the amount of incurred credit losses provided for in the financial statements are usually lower than the amount determined from the expected loss model that is used for internal operational management and Central Bank of Egypt's regulation purposes.

The impairment provision shown in the balance sheet at the end of period is derived from each of the three internal rating grades. However, the majority of the impairment provision comes from the bottom two grades.

The table below shows the percentage of items in balance sheet relating to loans and facilities and the associated impairment provision for each of the bank's internal rating categories:

31/12/2019					
Bank's Rating	Loans and facilities %	Impairment losses provision %			
Stage 1	84%	42%			
Stage 2	7%	13%			
Stage 3	9%	45%			
	100%	100%			



Loans and facilities includes the used limit of loans and percentage of loans agreements, according to the volume of expected used limit in addition to financial collateral contracts.

The bank's policy requires the review of all financial assets that are above materiality thresholds at least annually or more regularly when individual circumstances require. Impairment allowances on individually assessed accounts are determined by an evaluation of the incurred loss on balance-sheet date on a case-by-case basis, and are applied to all individually significant accounts. The assessment normally encompasses collateral held (including re-confirmation of its enforceability) and the anticipated receipts for that individual account.

Impairment loss provision is formed based on homogenous assets using the historical experience available and personal judgement.

A.4. General Measurement Model of Banking Risks

In addition to the categories of measuring creditworthiness, the management makes sub-groups more detailed according to the Central Bank of Egypt's rules. Assets facing credit risk are classified as per those groups according to the detailed conditions and rules relying greatly on customer's information, activities, financial position and his regular payments to his debts.

The bank calculates the provisions needed for impairment of assets exposed to credit risk including commitments related to the credit based on special percentages determined by Central Bank of Egypt. In the case of increase of impairment loss provision needed according to creditworthiness rating bases over the impairment loss for the purpose of preparing the financial statement according to the instructions of Central Bank of Egypt approved by the Board of Directors on February 26, 2019, regarding the implementation of IFRS 9, the general banking risk reserve is included in shareholder's equity deducted from the retained earning with this increase. This reserve is modified on a regular basis with the increase and decrease, which equals the increase in the two provisions and this reserve is not distributable.

And these are categories of institutional creditworthiness according to internal ratings compared with Central Bank of Egypt's ratings and rates of provisions needed for impairment of assets exposed to credit risk:

Classification of the Central Bank of Egypt	Classification Significance	Required provision rate	Internal classification	Internal classification significance
1	Low risks	Zero	1	Performing loans
2	Average risk	1%	1	Performing loans
3	Satisfactory risks	1%	1	Performing loans
4	Reasonable risks	2%	1	Performing loans
5	Acceptable risk	2%	1	Performing loans
6	Marginally acceptable risk	3%	2	Regular watching
7	Watch list	5%	3	Watch list
8	Substandard	20%	4	Non-performing loans
9	Doubtful	50%	4	Non-performing loans
10	Bad debt	100%	4	Non-performing loans



A.5. Maximum limits for Credit Risk before Collaterals

Items exposed to credit risks in balance sheet	31/12/2019 EGP	<u>31/12/2018</u> <u>EGP</u>
Due from banks	8,308,683,591	8,749,502,983
Loans and facilities to customers		
Retail loans		
overdrafts	533,090,440	343,854,016
Credit cards	26,558,906	19,079,976
Personal loans	2,493,891,063	1,838,753,818
Real estate loans	6,851,973,146	
Corporate Loans:		
overdrafts	4,387,225,250	3,431,721,353
Direct loans	2,254,926,171	2,011,819,891
Syndicated loans and facilities	2,665,335,999	1,034,371,057
Specialized loans:		
Direct loans	517,119,974	621,019,249
Financial investments at amortized cost		
Debt instruments	20,069,113,997	18,247,381,293
Other assets	1,002,284,210	884,067,196
Total	49,110,202,747	43,568,484,850



A.6. Loans and Facilities

The following is the position of loans and facilities balances in terms of creditworthiness:

	31/12/2019 EGP Loans & Facilities to Customers	31/12/2018 EGP Loans & Facilities to Customers
Neither past dues nor subject to impairment	16,695,564,584	10,048,068,108
Past due but not subject to impairment	1,327,630,550	4,764,721,979
Individually subject to impairment	1,706,925,815	874,743,291
Total	19,730,120,949	15,687,533,378
Less:		
Impairment loss provision	2,251,418,897	2,027,028,221
Interest in suspense	18,204,192	51,250,753
Net	17,460,497,860	13,609,254,404

Loans and facilities impairment reached EGP 413,217,180 compared to EGP 196,995.099 in the comparative year.

Note No. (18) includes additional information about provision for impairment losses on loans and facilities to customers.

The following table shows total loans and facilities in stages:

31/12/2019

	Stage 1 Expected credit losses over 12 months	Stage 2 Expected credit losses over lifetime	Stage 3 Expected credit losses over lifetime	Total
Retail	8,706,188,764	226,586,162	972,738,629	9,905,513,555
Corporate	7,989,375,820	1,101,044,388	734,187,186	9,824,607,394
	16,695,564,584	1,327,630,550	1,706,925,815	19,730,120,949

The following table shows the impairment loss provision in stages:

31/12/2019

	Stage 1 Expected credit losses over 12 months	Stage 2 Expected credit losses over lifetime	Stage 3 Expected credit losses over lifetime	Total
Retail	41,186,778	104,213,585	424,221,272	569,621,635
Corporate	903,623,561	186,333,935	591,839,766	1,681,797,262
	944,810,339	290,547,520	1,016,061,038	2,251,418,897



The following table provides information on the quality of financial assets during the year:

31/12/2019

Due from banks	Stage 1	Stage 2	Stage 3	Total
Due ITOIII Duitks	12 months	lifetime	lifetime	Total
Credit Rating				
Good debts	8,308,683,591	-	-	8,308,683,591
Normal watch-list	-	-	-	-
Special watch-list	-	-	-	-
Non-performing loan	-	-	-	-
Total	8,308,683,591			8,308,683,591
Allowance for impairment losses	-	-	-	-
Total	8,308,683,591			8,308,683,591

31/12/2019

Financial assets at amortized cost	Stage 1 12 months	Stage 2 lifetime	Stage 3 lifetime	Total
Credit Rating				
Good debts	20,069,113,997	-	-	20,069,113,997
Normal watch-list	-	-	-	-
Special watch-list	-	-	-	-
Non-performing loan	-	-	-	-
Total	20,069,113,997			20,069,113,997
Allowance for impairment losses	(8,287,037)	-	-	(8,287,037)
Total	20,060,826,963			20,060,826,963

31/12/2019

Retail Loans & Facilities	Stage 1 12 months	Stage 2 lifetime	Stage 3 lifetime	Total
Good debts	8,706,188,764	-		8,706,188,764
Normal watch-list	•	226,586,162		226,586,162
Non-performing loan	-	-	972,738,629	972,38,629
Total	8,706,188,764	226,586,162	972,738,629	9,905,513,555
Allowance for impairment losses	(41,186,778)	(104,213,585)	(424,221,272)	(569,621,635)
Total	8,665,001,986	122,372,577	548,517,357	9,335,891,920

31/12/2019

Corporate Loans & Facilities	Stage 1 12 months	Stage 2 lifetime	Stage 3 lifetime	Total
Good debts	7,989,375,820	-	-	7,989,375,820
Normal watch-list	-	1,101,044,388	-	1,101,044,388
Non-performing loan	-		734,187,186	734,187,186
Total	7,989,375,820	1,101,044,388	734,187,186	9,824,607,394
Allowance for impairment losses	(903,623,561)	(186,333,935)	(591,839,766)	(1,681,797,262)
Total	7,085,752,259	914,710,453	142,347,420	8,142,810,132



Loans and facilities on 31 December 2018:

Loans and facilities without unpaid balances are not impaired:

The credit quality of the portfolio of loans and facilities without unpaid balances and are not impaired is evaluated by referring to the internal evaluation used by the bank.

Evaluation	Good	Regular Watching	Special watch list	Total
Retail				
Overdrafts	160,083,431			160,083,431
Credit Cards	175,546,228			17,546,228
Personal Loans	1,231,097,119			1,231,097,119
Real Estate Loans	4,792,830,435			4,792,830,435
Total Retail	6,201,557,213			6,201,557,213
Corporate				
Overdrafts	2,454,304,124	119,922	10,364,762	2,464,788,808
Direct loans	4,582,301			4,582,301
Syndicated loans	990,728,597			990,728,597
Total corporate	3,449,615,022	119,922	10,364,762	3,460,099,706
Specialized loans				
Direct loans	386,411,189			386,411,189
Total loans and facilities to clients	10,037,583,424	119,922	10,364,762	10,048,068,108

Loans and facilities past due but not subject to impairment:

Loans and facilities with dues up to 90 days but are not considered impaired, unless other information is available to indicate the contrary. Clients' loans and facilities with neither past due nor impaired are represented in the fair value of collaterals related thereto, as follows:

Retail	EGP					
	Overdrafts	Personal Loans	Real Estate Loans	Total		
Past dues up to 30 days	241,456	441,081,620	727,588,488	1,168,911,564		
Past dues more than 30 days up to 60 days	61,000	234,583	306,090,905	306,386,488		
Past dues more than 60 days up to 90 days	80,957	114,693	340,379,986	340,575,636		
Total	383,413	441,430,896	1,374,059,379	1,815,873,688		



Corporate	EGP				
	Overdrafts	Direct Loans	Total		
Past dues up to 30 days	196	158,353,619	158,353,815		
Past dues more than 30 days up to 60 days	632,543,756	9,546,908	642,090,664		
Past dues more than 60 days up to 90 days	166,122,929	1,747,672,823	1913,795,752		
Total	798,666,881	1,915,573,350	2,714,240,231		

Specialized Loans	Direct Loans
Past dues up to 30 days	70,144,384
Past dues more than 30 days up to 60 days	58,869,653
Past dues more than 60 days up to 90 days	105,594,023
Total	234,608,060

Loans and credit facilities which are individually impaired

Loans and credit facilities to customers

At the end of the last reporting year, the balance of loans and credit facilities that are assessed to be individually impaired excluding any cash flows expected to arise from the associated guarantees, amounts to EGP 874,743,291.

The following table provides a breakdown of the balance of such loans and credit facilities which are individually impaired including the fair value of the collaterals obtained by the bank in exchange for those loans:

Evaluation	Facilities and Loans 31/12/2018	Collaterals 31/12/2018
Retail		
Overdrafts	183,387,172	154,453,582
Credit cards	1,533,748	102,040
Personal loans	166,225,803	
Real estate loans	220,024,204	12,715,704
Total Retail	571,170,927	167,271,326
Corporate		
Overdrafts	168,265,664	9,320,953
Direct loans	91,664,240	50,211,021
Syndicated loans	43,642,460	7,750,000
Total Corporate	303,572,364	67,281,974
Total Loans and Facilities to clients that are individually impaired	874,743,291	234,553,300



A.7. Acquisition of Collaterals:

Restructuring Loans and advances:

Restructuring activities include extension of payment arrangements, execution of obligatory management programs, and modification and deferral of payment. Restructuring policies and practices are based on indicators or criteria which, in the judgment of local management, indicate that payment will most likely continue. These policies are kept under continuous review.

Restructuring is most commonly applied to long term loans, in particular customer finance loans. Loans that were being renegotiated amount to EGP 395,001,867.

Loans and facilities to customers	EGP
Corporate:	
Overdrafts	221,017,315
Direct loans	14,203,546
Syndicated loans	159,781,006
Total	395,001,867

Assets owned through acquisition are classified among other assets in the balance sheet.

Those assets are sold whenever practical according to the Central Bank of Egypt's instructions to dispose those assets in a specified period.

Annata	Book Value (EGP				
Assets	31/12/2019	31/12/2018			
Lands	20,071,250				
Housing Units	1,120,500	990,000			
Hotel	48,376,972	48,376,972			
Factory		1,950,000			
Total	69,568,722	51,316,972			



A.8. The concentration of financial assets exposed to credit risks:

Geographical segments

The following table represents the analysis of the most important bank's credit risks measured at the book value, distributed according to the geographical segment on 31 December 2019. While preparing this table, risks were distributed to the geographical segments according to the areas related to the bank's customers.

	Arab Republic of Egypt					
	Greater Cairo	Alexandria, Delta and Sinai	Upper Egypt	Total		
Due from banks	8,308,683,591			8,308,683,591		
Loans and facilities to customers						
Retail Ioans						
Overdrafts	288,010,290	181,668,263	63,411,887	533,090,440		
Credit cards	12,557,651	10,978,760	3,022,495	26,558,906		
Personal loans	786,481,379	901,893,448	805,516,236	2,493,891,063		
Real estate loans	2,930,633,811	2,718,552,190	1,202,787,145	6,851,973,146		
Corporate loans						
Overdrafts	2,904,083,803	1,262,490,475	220,650,972	4,387,225,250		
Direct loans	1,840,677,140	293,163,601	121,085,430	2,254,926,171		
Syndicated loans and facilities	2,665,335,999			2,665,335,999		
Specialized loans						
Other loans	517,119,974			517,119,974		
Financial investments						
Debt instruments	20,069,113,997			20,069,113,997		
Other assets	957,966,388	27,785,044	16,532,778	1,002,284,210		
Total on 31/12/2019	41,280,664,023	5,396,531,781	2,433,006,943	49,110,202,747		
Total on 31/12/2018	35,818,093,494	4,732,733,708	3,017,657,648	43,568,484,850		



The following table represents the analysis of the most important bank's credit risk at book value, distributed according to the customers' activity:

	Financial Institutions	Agricultural	Industrial Institutions	Commerce	Services	Real Estate Activity	Governmental Sector	Other Activities	Individuals	Total
Due from banks	8308683591	-	-	6792895140	-	-	-	-	-	1515788451
Loans & Facilities										
Retail										
Overdrafts	533090440	533090440	-	-	-	-	-	-	-	-
Credit Cards	26558906	26558906	-	-	-	-	-	-	-	-
Personal Loans	2493891063	2493891063	-	-	-	-	-	-	-	-
Real Estate	-	-	-	-	-	-	-	-	-	-
Corporate	4387225250		68539496							
Overdraft	2254926171		14604295		557254405	617288675	1118743130	1827001487	47734563	150663494
Direct	2665335999				221824778	421262877	171356550	247292380	1949140	1176636151
Syndicated						2665335999				
Specialized Loans										
Direct	517119974									
Financial Investments										
Debt Instruments	20069113997									
Other Assets	1002284210	158314005	7246139	294975395	214700896	26177897				300896878
Total on 31/12/2019	49110202747	10063827560	90389930	27674104506	993780079	3730065448	1290099680	2074293867	49683703	3143957974
Total on 31/12/2018	43568484850	8641251943	174372387	28108744500	1255853829	3526300708	436164869	791126334	594823221	39847059

B. Market Risk

The bank takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks arise from open positions in interest rate, currency and equity products. all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices

B.I. Market Risk Measurement Techniques:

Value at risk

Report

The bank applies a "value at risk" methodology (VAR) to its trading portfolios, to estimate the market risk

of its positions held and it's been monitoring daily.

VAR is a statistically based estimate of the potential loss on the current portfolio resulting from adverse market movements. It expresses the 'maximum' amount the bank might lose, but using a certain level of confidence (98%). There is therefore a specified statistical probability (2%) that actual loss could be greater than the VAR estimate. The VAR model assumes a certain 'holding period' until positions can be closed (10 days) before closing the opening positions, and it is assumed that the movement of the market during the holding period will follow the same movement pattern that occurred during the previous ten days.

The bank is assessing the historical movements in the market prices based on volatilities and correlations data for the past two years while collecting the historical data for the past five years and the bank applies these historical changes in rates, prices and indicators directly to the current positions, and this way is known as a simulated historical method and the actual outputs are monitored on regular basis to measure the appropriate assumptions and factors used to measure VAR. The use of this approach does not prevent losses being outside of these limits in the event of more significant market movements.

Stress testing

Stress Testing provides an indication of the potential size of losses that could arise under extreme adverse

conditions. Therefore, bank designs stress tests according to its activities by using typical analysis to specific scenarios.

B.2. Foreign exchange risk

The Bank takes on exposure to the effects of fluctuations in the foreign currency exchange rates on its financial position and cash flows. The Board sets limits on the level of exposure to the foreign currency and in aggregate for both overnight and intra-day positions, which are monitored daily. The table below summarizes the bank's exposure to foreign currency exchange rate risk at the end of fiscal year, and the bank's financial instruments at the book value, categorized by currency.

The concentration of currency risk on the financial instruments:

31 December 2019	US Dollar	Euro	Sterling Pound	Other Currencies
Financial Assets:				
Cash and balances with Central Bank	6,102,169	155,260	7366	200,840
Due from banks	6,835,432	1,284,263	121,258	2,384,717
Loans and facilities to customers	19455284	936,976	1005	3224
Financial investments				
Investments at amortized costs	35,399,950	3,000,000		
Financial investments at fair value through other comprehensive income	21,500,000	14,800,000		
Investments in affiliates and associates				
Other financial assets	4,477,763	160,088	49,768	1715
Total financial assets	93,770,598	20,336,587	179,397	2,554,496
Financial liabilities:				
Due to banks	42,273,657	15,155,717		
Customer's deposits	34,847,027	3,639,467	194,494	1,849,143
Other financial liabilities	12,410,325	342,437	29,937	13,062
Total financial liabilities	89,531,009	19,137,621	224,431	1,862,205
Net financial position as of 31 December 2019	4,239,589	1,198,966	(45,034)	692,291
31 December 2018				
Total financial assets	67,459,062	13,827,034	245,879	4,900,078
Total financial liabilities	64,402,843	12,975,625	213,684	4,356,053
Net financial position as of 31 December 2018	3,056,219	851,409	32,195	544,025



B.3. Interest Rate Risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The bank takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on both its fair value and cash flow risks. Interest margins may increase as a result of such changes but may profit decrease in the event that unexpected movements arise. The board sets limits on the level of mismatch of interest rate repricing that may be undertaken, which is monitored daily by the investment department at the treasury sector in the bank.

The following table summarizes the risk of interest rate that the bank faces that includes the book value of financial instruments allocated based on the repricing dates or due dates price whichever is sooner:

(Values in Egyptian thousand pounds)

31 December 2019	Up to 1 month	More than 1 month to 3 months	More than 3 months to 1 year	More than 1 year to 5 years	Without return	Total
Financial Assets						
Cash and due from central bank	-	-	-	-	4,275,996	4,275,996
Due from banks	3,919,953	2366895	2,000,000	-	21,836	8,308,684
Loans and facilities to customers	1,796,940	233800	6,688,948	11,010,433	-	19,730,121
Financial investments						
Fair value other than through profits and losses	8,744,442	2206600	11,036,162	135,959	-	22,123,163
Fair value through profits and losses	349,550	-	-	38,839	-	388,389
Other financial assets	-	-	-	2,702,397	8,055,405	10,757,802
Total financial assets	14,810,885	4,807,295	19,725,110	13,887,628	12,353,237	65,584,155
Financial liabilities						
Due to banks	946,691	4163	-	-	474	951,328
Customers' deposits	8,913,598	2,519,319	2,133,607	8,539,016	19,179,930	41,285,470
Other loans	10,178	6167	95,156	537,667	-	649,168
Other financial liabilities	-	-	-	4,464,469	18,233,720	22,698,189
Total financial liabilities	9,870,467	2,529,649	228,763	13,541,152	37,414,124	65,584,155
Gap of repricing interest	4,940,418	2,277,646	17,496,347	346,476	(25,060,887)	-



C. Liquidity Risk

Liquidity risk is the risk that the Bank is unable to meet its payment obligations associated with its financial liabilities when they fall due and to replace funds when they are withdrawn. The consequence may be the failure to meet obligations to repay depositors and fulfill commitments to lend.

Liquidity Risk Management

The bank's liquidity management process carried out within the bank and monitored by Risk Management Department, includes:

Day-to-day funding is managed by monitoring future cash flows to ensure that requirements can be met. This includes replenishment of funds as they mature or is borrowed by customers. The bank maintains an active presence in money markets to enable this to happen.

Maintaining a portfolio of highly marketable assets that can easily be liquidated as protection against any unforeseen interruption to cash flow.

Monitoring liquidity ratios against internal requirements of central bank of Egypt.

Managing the concentration and stating loan maturities.

Monitoring and reporting take the form of cash flow measurement and projections for the next day, week and month respectively, as these are key periods for liquidity management. the starting point for those projections is an analysis of the contractual maturity of the financial liabilities and the expected collection dates of the financial assets.

Assets and liabilities committee also monitors unmatched medium-term assets, the level and type of undrawn lending commitments, the usage of overdraft facilities and the impact of contingent liabilities such as letters of credit and guarantees.

Funding approach

Sources of liquidity are regularly reviewed by a separate team in the treasury department at the bank, to maintain a wide diversification in currencies, geographical areas, sources, products and terms.

The available assets to cover all the liabilities and the loan's commitments include cash, balances with Central bank, dues from banks, treasury bills, other governmental securities and loans and facilities to customers and banks. Customers' loans that are due within a year are extended during the ordinary activity of the bank. In addition, some of debt instruments, treasury bills and governmental securities are mortgaged to guarantee the liabilities, and the bank has the ability to cover the net unexpected cash flows through the sale of financial securities and finding other funding resources.

Due from banks

The fair value of floating rate placements and overnight deposits is their carrying amount. The estimated fair value of deposits bearing floating rate is based on discounted cash flows using prevailing moneymarket interest rates for debts with similar credit risk and similar remaining maturity date.

Loans and overdrafts to banks

Loans and banking facilities are represented in loans not from deposits at banks. The expected fair value of the loans and facilities represents the discounted value of future cash flows expected to be collected. Cash flows are discounted using the current market rate to determine fair value.

Loans and Facilities to customers

Loans and facilities are recognized in net after deducting impairment loss provisions. The expected fair value of loans and facilities represents the discounted amount of future cash flows expected to be received. Cash flows are discounted at current market rates to determine fair value.

Investments in Securities

Investments in securities include only interest-bearing assets held until maturity date; financial investments classified at fair value through other comprehensive income are measured at fair value. Fair value for financial investments held at amortized cost is based on market prices or broker/dealer price quotations. Where this information is not available, fair value is estimated using quoted market prices for securities with similar credit, maturity and rates.

Due to other banks and customers

The estimated fair value of deposits with no stated maturity, which includes non-interest-bearing deposits, is the amount repayable on demand.

The estimated fair value of fixed interest-bearing deposits and other borrowings not quoted in an active market is based on discounted cash flows using interest rates for new debts with similar maturity.

D. Capital Management

The Bank's objectives when managing capital, which consists of another items in addition of equities stated in balance sheet are:

To comply with the legal requirements of capital in Egypt.

To safeguard the Bank's ability to continue as ongoing concern so that it can continue to provide returns for Shareholders and other parties that deal with the bank.

To maintain a strong capital base to support the development of its business.

Capital adequacy and the use of capital are monitored daily by the Bank's management according to the Central Bank of Egypt's instructions, employing techniques based on the guidelines developed by the Basel Committee as implemented by the Central Bank of Egypt, for supervisory purposes.

The required information is filed at the Central Bank of Egypt on a quarterly basis. Central Bank of Egypt requires the following:

Holding the minimum level of the issued and paid up capital of EGP 500 million.

Maintaining a ratio between the items of contingent assets and liabilities weighted by risks equivalent to or above 10%.

The bank's branches are working under the regulations of the banking sector in Egypt.

The numerator of capital adequacy standard consists of two tiers:

Tier One:

It consists of paid-in capital (after deducting the book value of treasury shares), and retained earnings and reserves resulting from the distribution of profits with the exception of general banking risk reserve, and deducting them from previously recognized goodwill and any carry-forward losses.



	31/12/2019 EGP	31/12/2018 EGP
(Tier 1 Capital) basic capital		
Paid-up capital	1,265,000,000	1,265,000
Suspended for capital increase	379,500,000	
Reserves	234,460,2708	1,796,180,933
Retained earnings	101,449,562	227,808,785
Total deductions from basic capital	(347360176)	(350,826,192)
Other comprehensive income	78,882,087	-
Total basic capital	3,822,074,181	2,938,163,526
Net income for the year	1,520,562,204	1,399,368,783
Total basic capital and retained earnings	5,342,636,385	4,337,532,309
(Tier 2 capital) syndicated capital		
45% of special reserve	4,205,000	4,205,000
Impairment provisions for loans, facilities and regular contingent liabilities	242,125,286	209,441,578
50% of exclusions from tiers one and two	(23,000)	-
Total syndicated capital	246,307,286	213,646,578
Total capital	5,588,943,671	455,178,887
Contingent Risk-weighted assets and liabilities:		
Total credit risk	19,370,022,890	16,755,326,263
Total market risk	1,148,203,656	1,252,236,394
Total operational risk	6,291,125,500	5,447,362,000
Total	26,809,352,046	23,454,924,657
* Capital Adequacy Ratio (%)	20,85	19,40

* Based on the bank's consolidated financial statement according to the Central Bank of Egypt's instructions issued on 18 December 2018.

Financial Leverage	31/12/2019 EGP	31/12/2018 EGP
Tier one capital after exclusions	5,342,636,385	4,337,532,309
Total on-balance sheet exposures, financial derivatives and financial securities operations	51,801,086,000	47,671,651,000
Total off balance sheet exposures	1,522,070,000	1,005,506,000
Total exposures on-balance sheet and off-balance sheet	53,323,156,000	48,677,157,000
Financial leverage ratio (%)	10,02	8,91



4. Critical Accounting Estimates and Assumptions

The Bank makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances and available information.

A. Impairment losses on loans and facilities

Based on personal basis, the Bank reviews its loans and facilities portfolios to assess impairment at least on a quarterly basis in determining whether an impairment loss should be recorded in the income statement, and the Bank makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of loans before the decrease can be identified with an individual loan in that portfolio. This evidence may include observable data indicating that there has been an adverse change in the payment (Egyptian Pounds) status of borrowers to the Bank, or national or local economic conditions that correlate with defaults in the Bank. Management uses estimates based on historical loss experience for assets with credit risk characteristics and objective evidence of impairment similar to those in the portfolio when scheduling its future cash flows. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss according to experience.

B. Fair value of derivatives

The fair values of financial instruments that are not listed in active markets are determined by using valuation techniques. Where valuation techniques are used to determine fair values, they are validated and periodically reviewed.

C. Financial investments classified as amortized cost

The non-derivative financial assets with fixed or determinable payments and maturity are being classified as amortized cost. This classification requires significant personal judgment. In making this judgment, the Bank evaluates its intention and ability to hold such investments to maturity. If the Bank fails to keep these investments until maturity other than for the specific circumstances- for example selling insignificant amount near to the maturity date.

D. Income taxes

The bank is subject to income tax in a number of tax circles for its branches which requires the use of significant estimates to determine the total income tax provision. There's a number of operations and accounts that are difficult to determine its final tax accurately. The bank created provisions for the expected results of the tax inspection that is being conducted and to account for probable additional tax. When there is a difference between the final results of the tax and the pre-recorded amounts, these differences will be adjusted against the income tax and the deferred income tax provision.



5. Segment Analysis

A. Segment Analysis of activities

Segment activity includes operational procedures and the assets that are used in providing banking services and managing the risk related to it and the return relevant to that activity that may differ from any other activities, and the segment analysis of operations according to banking operations includes the following:

Corporate, and medium & small sized enterprise

This includes current accounts (debit/credit), deposits, loans & facilities and financial derivatives.

Investments

Includes merging companies, purchasing investments and financing restructuring of companies and financial instruments.

Retail

Includes current, saving & deposit accounts, credit cards, and personal and real estate loans.

Other activities

Includes other banking activities such as management of funds.

Transactions between business segments are made according to normal activity of the bank, and they include operational assets and liabilities as presented in the Banks's balance sheet.

Revenues and Expenses according to segment activity					
The year ended on 31 December 2019	Corporate	Investment	Individuals	Other activities	Total
Segment activity revenues	2,546,770,259	1,310,460,595	2,058,270,881	2,059,138,326	7,974,640,061
Segment activity expenses	1,881,873,37	763,330,116	1,568,106,049	571,228,125	4,784,537,661
Segment operation results	664,896,888	547,130,479	490,164,832	1,487,910,201	3,190,102,400
Unclassified expenses	-	-	-	-	(642,456,570)
Net income for the year before taxes	-	-	-	-	2,547,645,830
Taxes	-	-	-	-	(596,556,487)
Net income for the year	-	-	-	-	1,951,089,34
The year ended on 31 December 2018	Corporate	Investment	Individuals	Other activities	Total
Segment activity revenues	2,120,048,940	1,192,746,195	1,982,503,035	1,810,544,096	7,105,842,266
Segment activity expenses	1,479,057,269	700,757,179	1,556,142,332	776,982,940	4,512,939,720
Segment operation results	640,991,671	491,989,016	426,360,703	1,033,561,156	2,592,902,546
Unclassified expenses	-	-	-	-	(396,176,950)



(570,249,132)

1,626,476,464

B. Analysis of Geographical Segment

Year ended on 31 December 2019	Greater Cairo	Alexandria, Delta and Sinai	Upper Egypt	Total
Revenues and expenses in accordance with geographical segment				
Geographical segment revenues	5,651,515,085	1,760,302,461	562,822,515	7,974,640,061
Geographical segment expenses	4,161,643,088	963,558,682	301,792,461	5,426,994,231
Sector's profit results	1,489,871,997	796,743,779	261,030,054	2,547,645,830
Net income for the year before taxes				2,547,645,830
Taxes				(596,556,487)
Net income for the year				1,951,089,343
Assets and liabilities in accordance with geographical segment				
Assets of geographic segment	38,661,756,721	8,750,683,107	2,990,889,625	504,033,294,536
Unspecified assets				
Total Assets	38,661,756,721	8,750,683,107	2,990,889,625	504,033,294,536
Liabilities of geographic segment	33,248,783,346	9,153,811,238	2,999,966,242	45,402,560,826
Other items of the Geographical segment				
Depreciations	(203,678,272)	(18,218,110)	(5,402,850)	(227,299,232)
Impairment loss	-	-	-	(415,157,337)

Year ended on 31 December 2018	Greater Cairo	Alexandria, Delta and Sinai	Upper Egypt	Total
Revenues and expenses in accordance with geographical segment				
Geographical segment revenues	5,185,810,667	1,413,413,013	506,618,586	7,105,842,266
Geographical segment expenses	3,989,065,944	667,647,554	252,403,172	4,909,116,670
Sector's profit results	1,196,744,723	745,765,459	254,215,414	2,196,725,596
Net income for the year before taxes				2,196,725,596
Taxes				(570,249,132)
Net income for the year				1,626,476,464
Assets and liabilities in accordance with geographical segment				
Assets of geographic segment	33,150,141,778	6,854,673,888	2452,488,869	42,457,304,535
Unspecified assets				817,097,894
Total Assets	33,150,141,778	6,854,673,888	2,452,488,869	43,274,402,429
Liabilities of geographic segment	28,942,306,702	7,008,908,493	2,448,273,458	38,399,488,653
Other items of the Geographical segment				
Depreciations	(181,501,777)	(14,024,798)	(3,655,276)	(199,181,851)
Impairment loss	-	-	-	(196,995,099)



C. Banking and Housing Activities

The bank's main activity is banking activity and other activities related to banking, represented in receiving deposits from customers and other sources of funds from the banking system and the Central Bank of Egypt. These funds are used in lending activities to other companies, retail banking products of various types and short and long term investments activities through financial markets and other financial assets, and provide banking services of all kinds as the bank of the leading banks in banking with full and permanent commitment to the Banking Law No. 88 of 2003 and the instructions of the Central Bank of Egypt about the rules related to the banking system, including the commercial banks operating in the Arab Republic. In order to maximize the return on shareholders' equity and to complement the Banks view of the integration of the banking services, the Bank may in some cases consider investing part of the shareholders' equity and long-term savings instruments in some of the equity instruments in some companies engaged in real estate development activity or entering into some housing projects to serve and integrate banking activities in order to maximize the return on assets and shareholders' equity with emphasis on the Bank's strategy of continuing as a banking institution representing housing activities not only an essential part of the bank but also helps to develop and enhance the bank's presence among the leading banks in providing banking services, the most important of which is to be the main arm of one of its clients, which aims at housing development within the framework of the Country's plan in economic and social development as well as the rest of the bank's corporate clients. The Bank aims to maintain excellent banking relationships with them as part of its banking business.

The distribution of revenues, expenses and profits on both banking and real estate activity as at 31 December 2019 is as follows:

(Values in Egyptian Thousand Pounds)

	From 01/01/2019 till 31/12/2019			From 01/01/2018 till 31/12/2018		
Particulars	Housing	Banking	Total	Housing	Banking	Total
Interest on loans and similar income	-	6,605,814	6,605,814	-	6,108,252	6,108,252
Interest on deposits and similar expenses	-	(3,663,770)	(3,663,770)	-	(2,960,642)	(2,960,642)
Net interest income	-	2,942,044	2,942,044	-	3,147,610	3,147,610
Fees and commissions income	102,255	261,239	363,494	116,132	216,836	332,968
Fees and commissions expenses	-	(34,808)	(34,808)	-	(28,881)	(2881)
Net fees and commissions income	102,255	226,431	328,686	116,132	187,955	304,087
dividends	-	127,804	127,804	-	82,502	82,502
Net income from financial investments at fair value through profits and losses	-	60,241	60,241	-	62,160	62,160
Housing projects income	402,469	-	402,469	444,793	-	444,793
Impairment of loan loss provision	-	(415,157)	(415,157)	-	(219,529)	(219,529)
Administrative expenses	(28,1577)	(1,366,564)	(1,648,141)	(221,973)	(1,197,206)	(1.419,179)
Reversal of provisions	-	599,948	599,948	-	(284,103)	(284,103)
Other operating revenues	62,080	87,672	149,752	56,553	21,831	78,384
Net profit before taxes	285,227	2,262,419	2,547,646	395,505	1,801,220	2,196,725
Income tax expenses	(64,176)	(532,381)	(596,557)	(88,989)	(481,260)	(570,249)
Net profit for the year	221,051	1,730,038	1,951,089	30,516	1,319,960	1,626,476



6. Net Interest Income

Interest received from loans and similar revenues	31/12/2019 EGP	31/12/2018 EGP
Loans and facilities to customers	2,417,098,554	1,878,163,825
Financial investments (other than that at fair value through profit and loss)	2,842,135,772	2,622,375,588
Deposits and current accounts	1,346,579,566	1,612,176,887
Total	6,605,813,892	6,112,716,300
Interest on deposits and similar expenses:		
Deposits and current accounts:		
Banks	37,306,501	40,956,560
Customers	3,413,893,269	2,688,956,798
Total	3,451,199,770	2,729,913,358
Other financial institutions loans	212,570,044	230,728,595
Total	3,663,769,814	2,960,641,953
Net interest income	2,942,044,078	3,152,074,347

7. Net Fees and Commissions Income

Interest received from loans and similar revenues	31/12/2019 EGP	31/12/2018 EGP
Fees and commissions income:		
Fees and commissions related to credit	61,229,932	28,058,603
Fees of financing institutions	157,768,667	156,286,198
Other fees	144,495,604	148,622,815
	363,494,203	332,967,616
Fees and commissions expenses:		
Other paid fees	(34,808,478)	(28,880,648)
Total	328,685,725	304,086,968



8. Dividends

	31/12/2019 EGP	31/12/2018 EGP
Equity instruments at fair value through profit and loss	2,974,549	2,356,179
Equity instruments at fair value through other comprehensive income	3,172,289	5,767,111
Affiliates and associates	121,656,945	74,378,628
Total	127,803,783	82,501,918

9. Net income from financial investments at fair value through profit and loss

	31/12/2019 EGP	31/12/2018 EGP
Profits from trading in foreign currencies	17,880,526	15,833,719
Equity instruments at fair value through profit and loss	42,360,210	41,861,278
Total	60,240,736	57,694,997

10. Revenue from Housing Projects

	31/12/2019 EGP	31/12/2018 EGP
Sales of housing properties	551,428,768	486,156,839
Cost of sold properties	(198,159,245)	(174,846,474)
Revenue from properties	353,269,523	311,310,365
Other housing revenues	49,199,198	133,482,350
Total	402,468,721	444,792,715

11. Administrative Expenses

	31/12/2019	31/12/2018
	EGP	EGP
Staff Cost	726,080,536	591,030,393
Social insurances	39,209,708	30,631,698
Retirement benefit cost	14,747,158	11,656,711
Operation utilities	611,353,350	452,259,158
Current expenses	309,459,340	264,912,725
Portion of social and sports activities	1,743,660	1,282,550
Donations	44,547,303	67,403,134
Total	1,648,141,055	1,419,176,369



12. Other Operating Revenues (Expenses)

	31/12/2019 EGP	31/12/2018 EGP
Revaluation losses of assets and liabilities balances in foreign currencies with monetary nature other than held for the purpose of trading or classified at inception at fair value through profit and loss	(11,111,140)	(4,279,119)
Gain from selling properties & equipment	3,336,849	2,511,838
Reversal of impairment of other assets and projects	(14,270,201)	5,148,949
Rents	66,769,792	56,553,447
Others	105,028,079	18,448,502
Total	149,753,379	78,383,617

13. Loans impairment losses

	31/12/2019 EGP	31/12/2018 EGP
Loans and facilities to customers	(413,217,180)	(196,995,099)
Due from banks	249,073	-
Debt instruments at amortized cost	(2,189,230)	-
Total	(415,157,337)	(196,995,099)

14. Income Tax Expenses

	2.8 EGP	2.9 EGP
Current taxes	(598,547,674)	(561,852,354)
Deferred taxes	1,991,187	(8,396,778)
Total	(596,556,487)	(570,249,132)



	31/12/2019 EGP	31/12/2018 EGP
Accounting profit after settlement	2,547,645,830	2196,725,596
Tax rate	22.5%	22.5%
Total tax	573,220,312	494,263,259
Add (deduct):		
Non-deductible expenses	236,035,036	31,938,354
Tax exemptions	(291,142,823)	(33,709,946)
The impact of provisions	(57,552,999)	71,625,446
The impact of depreciations	1,991,187	
Withholding tax	7,130,476	4,890,698
Tax on treasury bills in foreign currency	12,866,485	1,241,321
Income tax expenses	598,547,674	561,852,354
The rate of the actual tax	23.5%	25.6%

	31/12/2019 EGP	31/12/2018 EGP
Net profit for the year	1,951,089,343	1,626,476,464
Board of Directors' remunerations*	(15,000,000)	(15,000,000)
Employees' share in profit*	(194,774,799)	(162,231,902)
Net profit of the year available for shareholders	1,741,314,544	1,449,244,562
Weighted average number of issued shares	126,500,000	126,500,000
Earnings per share	13.77	11.46

^{*} Estimated amounts to be approved by the ordinary general assembly of the bank's shareholders at the end of the year.



	31/12/2019 EGP	31/12/2018 EGP
Cash	716,585,294	842,522,974
Due from central bank within the required reserve percentage	3,559,410,612	1,643,612,237
	4,275,995,906	2,486,135,211
Non-interest-bearing balances	4,275,995,906	2,486,135,211

17- Due from Banks

	31/12/2019 EGP	31/12/2018 EGP
Current accounts	21,836,151	34,187,623
Deposits	8,286,847,440	8,715,315,360
Impairment loss provisions	-	-
	8,308,683,591	8,749,502,983
Central Bank (excluding obligatory reserve)	6,792,895,140	7,049,851,060
Local banks	196,878,495	1,659,968,024
Foreign banks	18,909,956	39,683,899
	8308683591	8,749,502,983
Non-interest-bearing balances	21836151	34,187,623
Interest-bearing balances (fixed rate)	8286847440	8,715,315,360
	8308683591	8,749,502,983
Current balances	8308683591	8,749,502,983



	31/12/2019	31/12/2018
	EGP	EGP
Overdrafts	533,090,440	343,854,016
Credit cards	26,558,906	19,079,976
Personal loans	2,493,891,063	1,838,753,818
Real estate loans	6,851,973,146	6,386,914,018
Total	9,905,513,555	8,588,601,828
Overdrafts	4,387,225,250	3,431,721,353
Direct loans	2,254,926,171	2,011,819,891
Syndicated loans and facilities	2,265,335,999	1,034,371,057
* Other loans	517,119,974	621,019,249
Total	9,824,607,394	7,098,931,550
Total loans and facilities to customers	19,730,120,949	15,687,533,378
Impairment of loan loss provision	(2,251,418,897)	(2,027,028,221
Interest in suspense	(18,204,192)	(51,250,753)
	17,460,497,860	13,609,254,404
Current balances	4,229,920,481	3,983,263,142
Non-current balances	15,500,200,468	11,704,270,236
	19,730,120,949	15,687,533,378

^{*} Supported loans are paid regularly within the State's plan for economic and social development. Impairment loss provision

Movement analysis of impairment loss provision for loan and facilities to customers

	31/12/2019 EGP	31/12/2018 EGP
Balance at the beginning of the year	2,027,028,221	1,922,302,914
Transferred from general risk reserve according to IFRS9	(283,440,911)	-
Impairment loss	413,217,180	196,995,099
Amounts written off during the year	(17,752,764)	(101,891,756)
Refunded amounts during the year	122,783,952	8,515,345
Foreign currency revaluation difference	(10,416,781)	1,106,619
Balance at the end of the year	2,251,418,897	2,027,028,221



	31/12/2019 EGP	31/12/2018 EGP
Equity instrument listed in stock market		
Shares of local companies	57,529,241	62,162,100
Total equity instruments	57,529,241	62,162,100
Financial investment portfolios managed by others	330,860,026	303,472,677
Total financial investment at fair value through profit and loss	388,389,267	365,634,777

20. Financial Investments (other than those at fair value through profit and loss)

Financial investments at fair value through other comprehensive income	31/12/2019 EGP	31/12/2018 EGP
Debt instruments:		
Listed in stock market	1,918,090,419	1,358,475,700
Unearned interest	(133,378,072)	(89,729,678)
Equity instrument:		
Unlisted in stock market	99,008,798	40,316,488
Mutual fund's instrument established according to the issued rates	36,949,001	17,000,000
Total financial investments at fair value through other comprehensive income	1,920,670,146	1,326,062,510
Financial investments at amortized cost	14,344,411,635	12,456,800,254
Total financial investments	16,265,081,781	13,782,862,764
Current balances	16,129,123,982	13,725,546,276
Non-current assets	135,957,799	57,316,488
	16,265,081,781	13,782,862,764
Debt instruments bearing fixed interest	16,129,123,982	13,725,546,276



	Financial Investments at fair value through other comprehensive income	Financial Investments at amortized cost	Total
Balance at the beginning of 2019	1,326,062,510	12,456,800,254	13,782,862,764
Net movement of purchases and sales	514,084,445	1,998,371,888	2,512,456,333
amortization of issuance premium	-	10,719,502	10,719,502
Change in fair value	80,523,191	-	80,523,191
Selling of debt instruments with obligation of rebuying	-	(113,192,975)	(113,192,975)
Impairment loss of debt instruments	-	(8,287,034)	(8,287,034)
Balance as at 31 December 2019	1,920,670,146	14,344,411,635	16,265,081,781
Balance as at 1 January 2018	41,968,342	2,384,147,308	2,426,115,650
Net movement of buying and selling	1,285,735,372	14,579,180,072	15,864,915,344
Amortization of issuance premium	-	10,148,637	10,148,637
Change in fair value	(1,641,104)	-	(1,641,104)
Selling of debt instruments with obligation of rebuying	-	(4516675763)	(4,516,675,763)
Balance as at 31 December 2018	1,326,062,510	12,456,800,254	13,782,862,764

	31/12/2019 EGP	31/12/2018 EGP
Change in fair value of equity instrument at fair value through other comprehensive income	80,523,191	(1,641,104)
Total	80,523,191	(1,641,104)



	31/12/2019		31/12/2018			
	Sharing value	Direct sharing percentage	Direct and indirect sharing percentage	Sharing value	Direct sharing percentage	Direct and indirect sharing percentage
First: Affiliates						
Holding company for development and investment	460,000,000	92%	92%	460,000,000	92%	92%
EI-Tameer company for real estate investment	180,000,000	60%	94.96%	180,000,000	60%	94.96%
El-Tameer for real estate and touristic assets management	942,000	15.7%	62.62%	942,000	15.7%	62.62%
El-Tameer for public environmental projects and services (Hemaya)	1,521,000	39%	85.92%	1521,000	39%	85.92%
El-Tameer for real estate mutual fund	48,900,000	24%	93.83%	48,900,000	24%	93.83%
El-Tameer company for financing and real estate promotion	2,178,158	39%	94.2%	2,178,158	39%	94.2%
Development for technological services (DTS) company	4,000,000	40%	86.92%	4,000,000	40%	86.92%
El-Tameer company for real estate development and investment	74,000,000	37%	92.77%	74,000,000	37%	92.77%
Hemaya company for security and money transportation	6,000,000	40%	94.82%	6,000,000	40%	94.82%
HD for leasing	59,366,343	60%	97.11%	59,366,343	60%	97.11%
Second: Associates						
El-Tameer company for housing and utilities	5,250,000	35%	35%	5,250,000	35%	35%
El-Tameer company for real estate finance	175,161,370	24.84%	24.84%	175,161,370	24.84%	24.84%
Hyde Park for real estate development company	198,622,250	36.9%	53.66%	198,622,250	36.9%	53.66%
City Edge company for real estate development	491,473,000	38%	39.84%	491,473,000	38%	39.84%
Obelisk for management of portfolios and mutual funds*	1	30%	49.32%	1	30%	49.32%
HD company for securities**	1	10.8%	47.78%	1	14.59%	47.78%
Misr Sinai for tourism***	1	30%	30%	1	30%	30%
Total	1,663,314,124			1,663,314,124		

^{*} The bank sharing value in obelisk company for management of portfolio and mutual funds is EGP 750 000 and the impairment has been formed for the company with amount of EGP 749 999, then the sharing value after the impairment becomes EGP 1.

^{***} The bank sharing value in Misr Sinai company for tourism is 29 983 200 EGP and the impairment has been formed for company with amount of EGP 29 983 199, then the sharing value after the impairment becomes EGP 1.



^{**} The bank sharing value in HD company for securities is EGP 1 800 000 and the impairment has been formed for the company with amount of EGP 1 799 999, then the sharing value after the impairment becomes EGP 1.

	31/12/2019 EGP	31/12/2018 EGP
Lands allocated for housing projects	187935136	186498759
Projects under construction	79240591	161166115
Finished projects	899445541	508871393
Housing projects impairment	(24016757)	(19327219)
Total	932604511	837209048

Projects under construction incudes EGP 33.62 million, which represents the borrowing costs the bank has charged to the work under construction at a rate of lending and discount announced by CBE. The total empty distance units and the units available for sale reached 131,889 meters, administrative and commercial buildings reached 7163 meters, and the lands reached 135214 meters.

23. Investment Property

	31/12/2019 EGP	31/12/2018 EGP
Total investments	112955719	142600465
Accumulated depreciation	(33631691)	(29572013)
Net book value at the beginning of the year	79324028	113028452
Additions	39380915	9033572
Exclusions	(366216)	(38678318)
Exclusions from accumulated depreciation	61389	5209293
Depreciation of the year	(11921913)	(9268971)
Net book value at the end of the year	106478203	79324028

Investment properties are rented for the bank's companies and others with yearly renewal contracts and with depreciation calculated for the rented units at 5% annually.

Investment properties are revaluated at the fair value by an amount of EGP 374.1 million as at 31 December 2019 by an evaluator with a recognized professional certificate and has experience in real estate.



	31/12/2019 EGP	31/12/2018 EGP
Computer programs		
Cost as at the beginning of the year	296917162	174990356
Additions during the year	77010051	121926806
Cost as at the end of the year	373927213	296917162
Accumulated depreciation at the beginning of the year	(176085335)	(89802755)
Depreciation during the year	(83952308)	(86282580)
Accumulated depreciation at the end of the year	(260037643)	(176085335)
Net book value at the end of the year	113889750	120831827

25. Other Assets

	31/12/2019 EGP	31/12/2018 EGP
Accrued revenues	467417126	491371541
Paid expenses	6152397	3516921
Advance payments for purchasing fixed assets	236437444	68270066
Advance payments for contractors and other quarters	76413386	28193088
Insurance and consignment	5727846	1742622
Debit accounts under settlement	123763162	48021946
Assets reverted to banks in settlement of debts	69568722	51316972
Others	16804127	191634040
Total	1002284210	884067196



	Lands	Buildings & Constructions	Transportation Means	Machinery & Equipment	Furniture	Fixtures	Total
Balance as at 1 January 2018							
Cost		454524863	42084860	303879472	65183892	15266709	883717740
Accumulated Depreciation	-	131504403	23401406	175809879	30687113	12554135	373956936
Net book value as at 1 January 2018	2777944	323020460	18683454	128069593	34496779	2712574	509760804
Additions	20520830	54167548	4097500	207277679	14485143	-	300548700
Exclusions	-	1449135	1622386	55440	-	-	3126961
Exclusions from accumulated depreciation	-	1177420	1622344	55434	-	-	2855198
Depreciation expense	-	22102633	6640490	75792859	6013123	2350166	112899271
Depreciation charged to investment properties	-	872403	-	-	-	-	872403
Net book value as at 31 December 2018	23298774	353941257	16140422	259554407	42968799	362408	696266067
Balance as at 1 January 2019							
Cost	23298774	507243276	44559974	511101711	79669035	15266709	118139479
Accumulated depreciation	-	153302019	28419552	251547304	36700236	14904301	484873412
Net book value as at 1 January 2019	23298774	353941257	16140422	259554407	42968799	362408	696266067
Balance as at 31 December 2019							
Net book value as at 1 January 2019	23298774	353941257	16140422	259554407	42968799	362408	696266067
Additions	154342785	138114529	11473600	65761991	20441618	9945020	391128543
Exclusions	-	738456	2802651	6574433	972669	-	11088209
Exclusions from accumulated depreciation	-	144907	2233722	6572215	913576	-	9864420
Depreciation expense	-	27032307	8973662	99871155	7234857	234944	143346925
Net book value as at 31 December 2019	177641559	46429930	18071431	225443025	56116467	1121484	942823896
Balance as at 31 December 2019							1561179813
Cost	177641559	644619349	53230923	570289269	99137984	16260729	13011/9813
Accumulated depreciation	-	180189419	35159492	344846244	43021517	15139245	618355917
Net book value as at 31 December 2019	1776141559	464429930	18071431	225443025	56116467	1121484	942823896



	31/12/2019	31/12/2018
	EGP	EGP
Current accounts	473875	982699
Deposits	950854149	455937553
	951328024	456920252
Local banks	946691250	451289470
Foreign banks	4636774	5630782
	951328024	456920252
Balances bearing no interests	473875	982699
Balances bearing fixed interest rate	950854149	455937553
	951328024	456920252
Current balances	951328024	456920252

28. Customers' Deposits

	31/12/2019	31/12/2018
	EGP	EGP
Demand deposits	16417342367	15053072298
Time and call deposits	10952929532	6461702284
Saving certificates	4598185857	3628298781
Saving deposits	6012755422	5030227545
Other deposits	3304257297	3948769212
	41285470475	34122070120
Corporate deposits	23402845987	17786704571
Retail deposits	17882624488	16335365549
	41285470475	34122070120
Balance bearing no interest	19179929618	17491091848
Balances bearing variable interest rate	6012755422	5030227545
Balances bearing fixed interest rate	16092785435	11600750727
	41285470475	34122070120
Current balances	36687284618	30493771339
Non-current balances	4598185857	3627298781
	41285470475	34122070120



	Interest Rate %	31/12/2019 EGP	31/12/2018 EGP
Long term loans			
Loans granted from CBE:			
Bank's activity loans	12.75%	1610440	4568112
New Urban Communities Organization	12.75%	29511028	38622647
Construction and Housing Organization	12.75%	441428497	516071323
Houses Mutual Fund	12.75%	10134409	14699165
Total loans granted from CBE		482684374	573961247
Loans granted from the Social Fund for Development	%14,75 - 7%	106555000	58815000
Egyptian Company for Real Estate Refinance Ioan	10.25% - 11%	59928623	68979367
Total		649167997	701755614
Current balances		111500862	131663000
Non-current balances		537667135	570092614

The bank fulfilled its commitments regarding those loans in terms of the principal amount and interest amount or any other conditions during the year and comparative year.

30. Other Liabilities

	31/12/2019 EGP	31/12/2018 EGP
Accrued interests	233941426	342069645
Unearned revenues	1965725	1324790
Accrued expenses	127114847	112382275
Creditors	37350470	41319098
Advances for reservation of units owned by the bank	1409098	1830637
Down payments under installments	135266959	218121760
Checks under payment and credit accounts under settlement	472738554	553925012
Various credit balances	1086550754	1064655755
Total	2096337833	2335628972



31. Other Provisions

31/12/2019

	Beginning balance	Transferred from general risk reserve according to IFRS9	Formed during the year	Transferred during the year	Utilized during the year	Amounts no longer required	Total
Provision for contingent liabilities	59741681	62652079		-	-	(104110569)	18283191
Provision for loans commitments	-	277566242		-	-	(261813683)	15752559
Provision for tax	402857466	-		18437906	(421452)	(243198244)	177675676
Provision for legal claims	132848661	-	3655000	-	(50000)	(218091)	136235570
Provision for disaster aids	42766	-	208106	-	(236152)	-	14720
Provision for other claims	9581455	-	10114512	-	(4996624)	(4584831)	10114512
Total	605072029	340218321	13977618	18437906	(5704228)	(613925418)	358076228

31/12/2018

	Beginning balance	Formed during the year	Utilized during the year	Total
Provision for contingent liabilities	37207675	22534006	-	59741681
Provision for tax	240378893	174760338	(12281765)	402857466
Provision for legal claims	32751858	100500000	(403197)	132848661
Provision for disaster aids	72100	242302	(271636)	42766
Provision for other claims	980603	8600852	-	9581455
Total	311391129	306637498	12956598	605072029

Reversal of Other Provisions

	31/12/2019			31/12/2018		
	Formed during the year	Amounts no longer required	Total	Formed during the year	Amounts no longer required	Total
Provision for contingent liabilities	-	104110569	104110569	(22534006)	-	(22534006)
Provision for loans commitments	-	261813683	261813683	-	-	-
Provision for tax	-	243198244	243198244	(174760338)	-	(174760338)
Provision for legal claims	(3655000)	218091	(3436909)	(100500000)	-	(100500000)
Provision for disaster aids	(208106)	-	(208106)	(242302)	-	(242302)
Provision for other claims	(10114512)	4584831	(5529681)	(8600852)	-	(8600852)
Total	(13977618)	613925418	599947800	(306637498)	-	(306637498)



32. Deferred Income Tax

Deferred income taxes have been totally calculated on the difference of the deferred taxed based on the liabilities method using an actual tax rate of 22.5% in the current fiscal year. Deferred income taxes resulted from previous years' tax loss is not recognized unless there is expected profit taxes can be used to decrease the previous years' tax loss.

Deferred Tax Liabilities:

Balances and movements of deferred tax liabilities are shown in the following:

	Deferred Tax Liabilities		
	31/12/2019 EGP	31/12/2018 EGP	
Fixed and intangible assets	(15662266)	(17653453)	
Total deferred tax liability	(15662266)	(17653453)	

Movements of deferred tax liabilities:

	Deferred Tax Liabilities	
	31/12/2019 EGP	31/12/2018 EGP
Balance as at the beginning of the year	(17653453)	(9256675)
Charged to income statement	1991187	(8396778)
Balance as at the end of the year	(15662266)	(17653453)

Unrecognized deferred tax assets

Deferred tax assets are not recognized for other items:

	Deferred Tax Liabilities	
	31/12/2019 EGP	31/12/2018 EGP
Loans impairment provision excluding the 80% of the formed during the year	450283779	405405644
Other items	27247114	38518068

The deferred tax assets related to items previously mentioned were not recognized, and this is due to that there is not a reasonable assurance to benefit from them, or the existence of an appropriate level to ensure the existence of sufficient future tax returns through which it is possible to benefit from these assets.



33. Medical Retirement Benefit Obligations

	31/12/2019 EGP	31/12/2018 EGP
Retirement benefit obligation as recorded in balance sheet:		
Medical benefit after retirement	39676455	36433851
Movements of liabilities during the year represented as follows:		
Balance at the beginning of the year	36433851	33793347
Amounts provided during the year	11876993	9326020
Current service cost	(8634389)	(6685516)
Balance at the end of the year	39676455	36433851
Main actuarial assumptions used are represented in the following:		
	current year %	Comparative year %
discount rate	10%	5%
Expected interest rate on assets	10.75%	10.75%
Average medical cost per individual	13.903	12.860
Inflation rate used in medical services cost	10%	19%
Death rates	(49-A52)	(49-A52) British table

The assumptions related to the death rate are based on the announced recommendations, statistics and experience in Egypt.



34. CAPITAL

Authorized Capital

The authorized capital is EGP 3,000 million, and the issued and paid up capital is EGP 1,265 million, totaling 126,50 million shares; the nominal value of each share is EGP 10.

1- The Bank's extraordinary general assembly approved on 5/11/2007 to increase the authorized capital from EGP 1 000 million to EGP 3,000 million, and the issued and paid up capital from EGP 550 million to EGP 1,150 million with an increase amounted to EGP 600 million

The subscription prospectus had been announced on 16/01/2008 for the first phase with an increase amounted to EGP 120 million for the old shareholders, and it is completely accomplished and endorsed in the bank's commercial register

The second phase had been announced from 23/3/2010 till 29/04/2010 to increase the bank's capital and open subscription for old shareholders, and till 13/05/2010 for the new shareholders for 45 million shares at par value EGP 20 in addition to 25 piasters (issuance fee) and 3 million shares have been distributed to the employees for rewarding and stimulating at value EGP 10 per share in addition to 25 piasters (issuance fees) and subscription was completely accomplished and endorsed in the bank's commercial register on 29/9/2010 so the issued capital now becomes EGP 1,150 million

- 2- The Bank's extraordinary general assembly approved on 10/04/2014 to increase the issued and paid up capital from EGP 1,150 million to EGP 1,265 million by distributing EGP 115 million from the legal reserve of year 2012 by one share for every ten shares and endorsed in the bank's commercial register on 14/12/2014 so the issued and paid up capital now becomes EGP 1, 265 million
- 3- The Bank's extraordinary general assembly approved on 20/12/2017 to increase the issued and paid up capital from EGP
- 1,265 million to EGP 1,518 million by distributing EGP 253 million from the general reserve of the period ended 30 September 2017 by one share for every five shares and the procedures have been taken to be endorsed in the bank's commercial register.
- 4- The Bank's extraordinary general assembly approved on 30/4/2018 to increase the issued and paid up capital from EGP 1,518 million to EGP 1,644.5 million from the legal reserve by one share for every ten shares at par value of EGP 10 per each with contributions of EGP 126.5 million and the procedures have been taken to be endorsed in the bank's commercial register.

The following is a statement of shareholders who own percentage over 5% of the issued capital:

Shareholder	Number of shares	Shareholding percentage	EGP in thousands
New urban communities authority	37713240	29.81%	377132
RIMCO for investment	12319998	9.74%	123200
Misr Life Insurance Company	11283840	8.92%	112838
Misr insurance company	10492492	8.29%	104925
Houses mutual fund	9370450	7.41%	93705
Rolaco EGB for investments	9151928	7.32%	87917
Egyptian endowments authority	6362950	5.03	63630



35. Dividends

Dividends are not recorded until being approved by the shareholders' general assembly,

37. Cash And Cash Equivalent

For the purpose of presentation of cash flow statement, the cash and cash equivalent comprise balances due within three months from the date of acquisition:

	31/12/2019 EGP	31/12/2018 EGP
Due from central bank	716585293	842522974
Due from banks	2439670651	7307187624
Financial investments other than the fair value through profit and loss	24782	-
	3156280726	8149710598

38. Contingent Liabilities And Commitments

A- Legal claims

There are a number of existing cases filed against the bank at date of preparing the balance sheet without forming provisions for those cases as it is not expected to incur any losses from them.

B- Capital commitments

The bank contracts of Capital commitments reached EGP 930,668,312 on 31 December 2019 compared to EGP 181,304,918 in comparative year represented in purchasing equipment and fixtures for branches and updating the core banking system and contributions in associates, and the top management has confidence in realizing cash flows and providing funding to cover those commitments.

C- Operating commitments

The bank operating commitments amounted to EGP 18,217,681 on 31 December 2019 compared to EGP 21,888,561 in the comparative year represented in the operating lease contracts.

D- Contingent liabilities

	31/12/2019 EGP	31/12/2018 EGP
Letters of guarantee	2004778108	1217736151
Letters of credit	42504726	180523783
Less:		
Cash collaterals	(841414871)	(247758663)
Contingent liabilities	1205867963	1150501271



39. Transactions With Related Parties

The bank has dealt with related parties through the banks' normal activity which include loans, deposits and exchanges in foreign currencies.

The transactions and balances of related parties on 31 December 2019 are represented in the following:

	31/12/2019 EGP	31/12/2018 EGP
Loans	482347000	217352000
Deposits	480970000	517962000

According to Central bank of Egypt's instructions issued on 23 August 2011 and 1 March 2012, the monthly net average salaries and bonuses taken by top 20 of whom receiving salaries and bonuses in the bank and its affiliated and associates, amount to EGP 3,849,732 on 31 December 2019 against an amount of EGP 3,532,250 in the comparative year.

40. MUTUAL FUNDS

El-Tameer Mutual Fund

The bank's board of directors has approved in its session held on September 10, 2007 to establish accumulated fund with regular dividends distribution called El-Tameer Mutual Fund for EGP (100) million, managed by Prime Company for Financial Investments.

The Central Bank of Egypt has approved by virtue of the deputy governor's letter dated Jan 30, 2008 to establish the fund under the license no. 449 approved by the Egyptian financial supervisory authority on March 18, 2008.

The subscription prospectus for the fund has been announced on April 14, 2008. The subscription began on May 4, 2008 and ended on 5 June 2008. The subscription reached EGP 141,2 million. The bank's contribution percentage is 5% represented in (50000) investment certificates amounted to EGP (5) million with nominal value EGP 100/share.

The redemption value of the certificate on 31 December 2019 is EGP 209.12

Mawared Fund

The board of directors has approved on April 27, 2009 to establish Mutual Fund (Mawared) of accumulated daily cash interest managed by Prime Company for Financial Investments. The Central Bank of Egypt has approved on July 9, 2009 to establish the fund under the license no. 544 approved by the Egyptian financial supervisory authority on November 16 2009. The subscription prospectus for the fund has been announced. The subscription began on 21 December 2009 with bank's portion of EGP 12 million that represents a share of 5% represented in 0.986 million certificates with a nominal value of EGP 10 per each.

The redemption value of the certificate on 31 December 2019 was EGP 26.86



41. Tax Position

Payroll Tax

From beginning of the activity – 2007: The bank's payroll tax has been examined, paid and settled.

The period from 2008 to 2012: The bank's payroll tax has been examined and paid, and points in dispute have been referred to the appeal committees.

The period from 2013 to 2017: Under examination

2018-2019: The bank pays the tax monthly and submits the tax settlements on the due dates under law no. 91/2005

Stamp Tax

The bank's stamp duty tax has been inspected, paid and settled for the banks' branches till the end of enforcing the law no. (111) for the year 1980 (stamp tax)

As of August 1, 2006, the law no. (143) for the year 2006 amended by law no. (115) for the year 2008 has been enforced.

The period from 1 August 2006 till 31 March 2013: The tax inspections were carried out, and the tax differences resulted from the tax inspections have been paid.

The period from 1 April 2013 till 31 December 2018: The tax inspections were carried out in accordance with the executive instructions issued by tax authority No. 61 for the year 2015, and tax assessment has been yet received, knowing that the bank pays the stamp duty regularly on a quarterly basis.

The period from 1 January 2019 till 31 December 2019: The tax inspection was not carried out, knowing that the bank pays the stamp duty regularly on a quarterly basis.

Corporate Income Tax:

1980-2004: Tax inspection has been completed and settled.

Taxes of Juridical Persons:

2005-2007: Tax inspection has been completed and settled, and differences have been paid. The decision of the appeal committees for these claims was issued and the dispute was referred to court of law.

2008-2012: Tax inspection has been completed and settled, and the due tax differences have been paid; The decision of the appeal committees for these claims was issued and the dispute was referred to court of law.

2013-2014: Tax inspection has been completed and settled. The internal committee's procedures have been done. Referral was made to the appeal committee, and the dispute was referred to the court of law.

2015-2017: Tax inspection and objection to assessment model have been completed; internal committee procedures are being finalized.

2018: The bank has filed its tax return under tax income law no. 91/2005 and its amendments on the legal dates; the tax had been paid, but inspection has been yet carried out.

